



THE UNIVERSITY  
OF QUEENSLAND  
AUSTRALIA

# Paid Parental Leave Evaluation

PHASE 3 REPORT

**Prepared for:**  
**Australian Government Department of Social Services**

ISSR RESEARCH REPORT

April 2014

ABN: 63 942 912 684

Institute for Social Science Research  
Level 4, General Purpose North No.3 (Building 39A)  
The University of Queensland 4072  
Telephone: (07) 3346 7646 | Facsimile: (07) 3346 7646

ISSR

Institute for Social Science Research

Paid Parental Leave Evaluation

**PHASE 3 REPORT**

<b>Authors</b>	Bill Martin, Belinda Hewitt, Mara A. Yerkes, Ning Xiang, Judith Rose and Laetitia Coles
<b>ISSR Director</b>	Mark Western
<b>Name of project</b>	Paid Parental Leave Evaluation
<b>Name of organisation</b>	Australian Government Department of Social Services
<b>Project number</b>	ISSR010012: PPL Evaluation (Official Order 45376323)

## **ACKNOWLEDGEMENTS**

### **INSTITUTE FOR SOCIAL SCIENCE RESEARCH**

ISSR is one of Australia's largest social science research institutes with extensive experience in applied social science research and in providing research services to government agencies. ISSR was established by UQ in 2007 to enhance social science research at UQ; to contribute nationally to the development of Australian social science; to signal the university's major strengths in and commitment to the social sciences and to facilitate UQ's role in applied social science research. The Institute directly employs over 60 research staff, is one of the largest social science research institutes in Australia and has a growing international profile. ISSR researchers collaborate extensively with researchers throughout UQ, Australia and overseas. The Institute works in close cooperation with government agencies and the corporate and community sectors on flagship and high-impact social research.

### **DISCLAIMER**

This report provides information on an evaluation of a funded initiative for which the Australian Government Department of Social Services has lead responsibility. The report draws on input from representatives of government agencies, recipients of Parental Leave Pay and the Baby Bonus and employers who are providing or have provided Parental Leave Pay to an employee. The report cannot be taken in any way as an expression of government policy.

# Table of Contents

Acronyms.....	viii
Executive Summary .....	1
1 Introduction .....	9
1.1 The Paid Parental Leave Scheme .....	9
1.2 The PPL Evaluation .....	11
1.3 Phase 3 research questions .....	12
1.4 Main data collections and data sources for Phase 3 .....	12
2 Short term outcomes – employer responses .....	14
2.1 Employer leave provisions .....	14
2.1.1 Organisational policies and leave provisions .....	15
2.1.2 Changes to Organisational Leave Policies in 2012 .....	27
2.1.3 Organisational leave policies: 2011-2012 .....	30
2.2 Employer HR Practices .....	31
2.2.1 HR Practices: 2011-2012 .....	32
2.3 Managing PLP in the organisation .....	32
2.3.1 Sourcing information .....	33
2.3.2 Sourcing information on PPL: 2011-2012 .....	33
2.3.3 Registering for PPL .....	34
2.3.4 Employer attitudes towards registering for PPL: 2011-2012.....	34
2.3.5 Employer attitudes towards organising and providing payments.....	35
2.3.6 Voluntary administration of PLP .....	35
2.3.7 Voluntary administration: changes from 2011-2012 .....	36
2.3.8 Changes to Payroll Systems in 2012 .....	37
2.3.9 Making payments and payroll changes: 2011 – 2012.....	38
2.3.10 Costs involved in implementation.....	38
2.3.11 Costs involved in implementation: 2011-2012 .....	42
2.4 Employers’ experiences in implementing PLP and providing payments .....	42
2.4.1 Employers’ experiences in providing PLP: 2011-2012 .....	48
2.4.2 Mothers’ experiences in negotiating leave and leave taking with employers .....	48
2.4.3 Mothers’ perspectives on difficulties for employers.....	51
2.5 Keeping in Touch Provisions .....	52
2.5.1 Awareness of and use of KIT provisions .....	53
2.5.2 Employee use of KIT provisions.....	54
2.5.3 Awareness of and use of KIT provisions: 2011-2012 .....	55
2.5.4 Employer experience with KIT provisions .....	55
2.5.5 Employer experience with KIT provisions: 2011-2012.....	56
2.6 Conclusion .....	56
3 Intermediate outcomes – Mother’s PLP uptake, leave from employers and time out of the workforce.....	59
3.1 Short-term Outcomes – families making choices .....	60
3.1.1 Potential applicants’ awareness of PPL .....	60

3.1.2	Making choices.....	60
3.2	Mothers' leave taking .....	65
3.2.1	Mothers' leave taking before a birth .....	65
3.2.2	Mothers' access to leave following birth.....	67
3.2.3	Mothers leave uptake following birth.....	68
3.2.4	Comparing the leave taking of BB and PPL mothers.....	70
3.3	Combining PLP with leave from employer .....	73
3.3.1	The length of PLP.....	73
3.3.2	PLP and maternity leave eligibility .....	74
3.3.1	PLP and employer paid maternity or parental leave .....	74
3.4	Fathers' leave taking.....	75
3.5	PLP and return to work .....	77
3.5.1	Time out of the workforce.....	78
3.6	Conclusion .....	82
4	Conclusion .....	85
4.1	Employer response to the PPL scheme.....	85
4.2	Awareness of PPL, decision making and the receipt and granting of applications .....	86
4.3	Parents' access to and uptake of employer leave, and time out of the work force .....	87
4.4	Final comments.....	88
	References .....	89

## List of Tables

Table 2.1	Sampling frames for 2011 and 2012 of employers currently providing PLP to at least one employee in July and/or August for that year, by organisational size .....	14
Table 2.2	Formalization of HR policies about leave for employees before or after the birth of a child .....	16
Table 2.3	Employer-paid leave by sector and organisational size .....	17
Table 2.4	Employer-paid leave by industry .....	19
Table 2.5	Qualifying service period requirements by sector and size, maternity leave .....	21
Table 2.6	Leave duration by sector-size and employee type.....	23
Table 2.7	Leave remuneration and superannuation contributions, by sector, size and employee type .....	26
Table 2.8	Employer provisions of unpaid leave by organisational size.....	27
Table 2.9	Changes to paid leave policies or introduction of new policies in 2012 made by organisations that offer employer-paid leave .....	28
Table 2.10	Types of changes to existing policies/introduction of new policies made by employers who did make changes.....	29
Table 2.11	Proportion of organisations that have changed unpaid leave policies .....	29
Table 2.12	Changes to informal HR policies made by organisations without formal HR policies in place .....	30
Table 2.13	Changes to HR practices resulting from PPL.....	31
Table 2.14	Types of changes to HR practices made by those organisations that did make some change.....	32
Table 2.15	Sources of awareness and information about the scheme .....	33
Table 2.16	Ease of registering for PPL scheme by organisational size.....	34
Table 2.17	Employer attitudes towards organising PPL payments.....	35
Table 2.18	Voluntary administration of PLP by sector and size.....	36
Table 2.19	Businesses/Organisations who have made changes to the way books get done .....	37
Table 2.20	Changes made to payroll systems made by those organisations that did make changes .....	38
Table 2.21	Types of costs involved in the implementation of PPL for those organisations that reported additional costs .....	39
Table 2.22	Staff hours needed to implement PPL .....	40
Table 2.23	Cost of implementing PPL (in dollars).....	40

Table 2.24	Employer attitudes towards PPL .....	43
Table 2.25	Employer awareness of KIT provisions .....	54
Table 2.26	Employer intent to use KIT provisions among organisations aware of KIT provisions .....	54
Table 2.27	Employee use of KIT provisions among organisations aware of KIT provisions .....	55
Table 2.28	Perceived benefits of KIT provisions to the organisation .....	56
Table 3.1:	Demographic and employment characteristics of PPL eligible mothers who took Baby Bonus and Parental Leave Pay. ....	62
Table 3.2:	Logistic regression of taking Baby Bonus rather than Parental Leave Pay by selected demographic and employment characteristics of mothers .....	64
Table 3.3	Proportion of PPL eligible mothers who had access to a range of different types of leave, and their uptake rates .....	66
Table 3.4	Proportions of PPL eligible mothers with access to leave by type of leave prior to (BaMS 2010) and following (FaWCS 2012) the introduction of PPL. ....	68
Table 3.5	Number of leave types that PPL eligible mothers took before (BaMS 2010) and after (FaWCS 2012) the introduction of PPL.....	69
Table 3.6	Uptake and average months of leave taken by mothers following birth, (BaMS 2010) and after (FaWCS 2012) the introduction of PPL .....	70
Table 3.7	Proportions of PLP and BB recipients with access to leave from their employer .	71
Table 3.8	Number of types of leave taken by BB and PLP mothers .....	72
Table 3.9	Uptake and average months of leave taken by mothers following birth, PLP and BB mothers.....	73
Table 3.10	Proportion of mothers who took PLP and whether they took PLP before, at the same time, or after employer paid leave. ....	75
Table 3.11	Proportions of partners of PPL eligible mothers with access to leave by type of leave prior to (BaMS 2010) and following (FaWCS 2012) the introduction of PPL. ....	76
Table 3.12	Types and duration of leave taken by mothers' partners in the first year after birth .....	77
Table 3.13	Table of descriptive statistics comparing BaMS and FaWCS mothers return to work patterns and social and demographic characteristics .....	79
Table 3.14	Logistic regression for mothers' return to work at 18 weeks and 12 months, comparing mothers before PPL and after PPL .....	82

## Acronyms

BaMS	Baseline Mothers Survey
BB	Baby Bonus
DSS	Department of Social Services
EMPERIA	Employers Impact Analysis Survey
FaWCS	Family and Work Cohort Study
ISSR	Institute for Social Science Research
PLP	Parental Leave Pay
PPL	Paid Parental Leave



# Executive Summary

## Introduction

Australia's first national Paid Parental Leave (PPL) scheme commenced on 1 January 2011. Under this scheme, eligible working parents may receive up to 18 weeks of government-funded Parental Leave Pay (PLP) when they take time off from work to care for a newborn or recently adopted child.

## The PPL evaluation

In 2010, the then Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) (now the Department of Social Services) commissioned an evaluation of the PPL scheme to be completed in early 2014. The goal of the evaluation is to assess outcomes of the PPL scheme. The evaluation is being conducted in four phases, and findings from Phase 1 and Phase 2 of the evaluation have been published as stand-alone reports on the DSS website. The four phases of the evaluation are as follows:

- Phase 1 of the PPL evaluation used data collected in 2010 before commencement of the PPL scheme. The main goal of this phase of the evaluation was to establish baseline data on key policy outcomes, to allow robust comparison and assessment of the impacts of the PPL scheme. Results from Phase 1 showed most Australian mothers were already taking time away from work after the birth of a child, and most were covered by unpaid leave entitlements or rights. However, less than half were entitled to employer paid<sup>1</sup> maternity or parental leave. Moreover, access to this leave was highly unequal, with large groups of women having no access.
- Phase 2 of the PPL evaluation used data collected between July and December 2011, several months after the implementation of the scheme in January 2011 and the commencement of the mandatory employer role in July 2011. This phase investigated how both employers and mothers were responding to the scheme in its first few months of operation. Phase 2 showed the implementation of the PPL scheme had been relatively smooth and largely consistent with expectations. It showed that most mothers and employers felt positive about their experiences with the PPL scheme, though a small proportion of mothers and employers experienced some difficulties with the scheme, notably in the timeliness of payments (mothers) and administering the scheme (employers).
- This report presents the results of Phase 3 of the PPL evaluation which used data collected between July and December 2012, along with baseline data collected in Phase 1 and data collected for Phase 2 in July and August 2011. It focuses on the short-term and intermediate outcomes of the PPL scheme. Short term outcomes

---

<sup>1</sup> Throughout this report, the term 'employer paid leave' (or 'employer paid maternity leave' or 'employer paid paternity leave') is used to refer to leave that is funded by an employer.

covered in this report include the progress of the scheme and its operation since the Phase 2 study. Intermediate outcomes examined here include trends in new parents' leave-taking and duration of leave, and employers' experiences of and attitudes towards the scheme, including comparisons with employer's attitudes in Phase 2 of the evaluation and any changes to their parental leave policies and practices.

- Phase 4 of the evaluation will compare the data from phases 1 and 3 to report on progress towards the 'ultimate' outcomes of the PPL scheme. These outcomes relate to mothers' workforce participation, gender equity, and mothers' and babies' health and wellbeing.

## **Evaluation methodology**

Phase 3 reports on data from the following studies:

- FaWCS (Family and Work Cohort Study) – a two-wave longitudinal survey of PPL eligible mothers who gave birth in October or November 2011. Data used in Phase 3 primarily concerns parents' leave eligibility and use in the first year after the birth. To assess change since the introduction of PPL, these outcomes are compared with those observed in the Baseline Mothers Survey (BaMS) – a survey of mothers who gave birth in October or November 2009 before the introduction of PPL.
- EMPERIA (Employer Impact Analysis survey) – a survey of employers who provided PLP to employees in July and August 2012. Results from EMPERIA are compared with those from a similar survey of employers who provided PLP to employees immediately following the commencement of the compulsory employer role, in July and August 2011 (the Employer Implementation Phase Evaluation Study – EIPE).
- Qualitative, in-depth interviews with a sample of PPL eligible mothers who gave birth in October or November 2011.
- Qualitative, in-depth interviews with a sample of employers who provided PLP to employees in July and August 2012.
- Administrative data provided by the then Department of FaHCSIA.

Phase 3 of the evaluation included an analysis of mothers' decisions about whether to take PLP or Baby Bonus (BB). It provides insight into the factors affecting FaWCS respondents' decisions about the timing, duration and composition of leave types they use. Since FaWCS mothers made their decisions, there have been significant changes to BB, including a reduction of the payment from \$5,000 to \$3,000 for second and subsequent children born or adopted from 1 July 2013, reflecting the lower upfront costs that families experience for those children. BB will be abolished for children born or adopted from 1 March 2014 and replaced with an additional loading for families eligible for Family Tax Benefit, of \$2,000 for first children and \$1,000 for second and subsequent children. Phase 3 of the evaluation assesses mothers' experiences before these changes.

## Summary of key findings

### Employer responses to the PPL scheme

Employers' responses to the PPL scheme were assessed in relation to a range of relevant employment policies and practices, and employer attitudes and experiences associated with implementing and administering PPL, including the costs associated with this. By July and August 2012, the compulsory employer role had been established for one year, and it could be expected that scheme arrangements were well established.

Overall, the results in Phase 3 indicate that employers have maintained their own paid parental leave arrangements following the implementation of PPL. Most employers have not found it necessary to make any changes to their policies and practices in response to the introduction of PPL. Thus:

- Most employers (88 per cent) in the 2012 survey did not change their HR practices as a result of the introduction of PPL.
- There was no change between 2011 and 2012 in the proportion of surveyed employers that offered their own paid maternity schemes.
- Amongst employers with their own paid parental leave schemes in the 2012 survey, at most 5 per cent said they had reduced or removed some parental leave entitlements for their employees since the commencement of the PPL scheme. However, none had removed paid parental leave entirely. This picture echoed that found in the 2011 survey.
- Amongst employers with their own paid parental leave schemes in the 2012 survey, 7 per cent of employers changed them to interact with PPL by topping up PLP to the employee's actual wage.

The communication campaign and ongoing communications designed to provide employers with information about PPL are working well, and employers are becoming more reliant on government for information. Employers generally experienced few difficulties in registering for PPL and providing PLP to their employees, and they have become more likely to say the process is easy. Thus:

- Employers were almost twice as likely to rely on Centrelink as a source for initial information about the PPL scheme in 2012 compared to 2011.
- Three quarters of employers in the 2012 survey said it was easy to register for the PPL scheme.
- Just over 80 per cent of employers in the 2012 survey said that organising payments was easy.
- Employers in the 2012 survey were more likely than those in the 2011 survey to say that registering for PPL and organising payments was easy. This pattern was consistent across employers, irrespective of employer size or sector.

- The costs to employers of implementing PPL were generally very minimal, both in terms of time and money. Indeed, there was a decline in the amount of time employers reported they needed to implement PPL between 2011 and 2012. Nevertheless, some employers reported they found it time consuming to provide payments to their employees.
- Most employers in the 2012 survey reported low financial costs in implementing PPL, with only 18 per cent reporting costs of \$1,000 or more, and 54 per cent reporting costs of less than \$500. Some 16 per cent of employers were unable to estimate the costs of implementing the scheme. A very small group of employers reported very high costs.
- Similarly, employers generally reported using minimal staff hours to implement PPL. Only 13 per cent of employers in 2012 said that their staff devoted more than 15 hours to implementation. Some 35 per cent of employers did not know the number of staff hours devoted to implementation.
- However, some 37 per cent of employers in the 2012 survey said it was time consuming to organise making the payments to their employees, and the in-depth interviews with employers revealed that a few small, private sector businesses found it difficult to implement and administer PPL.

Just under half of employers in the 2012 survey were aware of the Keeping in Touch (KIT) provisions. Awareness of KIT was significantly higher amongst large employers than small ones, though about 40 per cent of large employers were not aware of KIT provisions. Intended use among those employers aware of KIT provisions was high, and most of those that had used them felt that the KIT provisions had been beneficial. However, there was no significant change between 2011 and 2012 in employers' awareness or intention to use the KIT provisions.

### **Mothers' decisions about taking Parental Leave Pay**

Awareness of PPL is almost universal amongst mothers eligible for the scheme. This is consistent with the results in Phase 2 of the evaluation, where it was also found that the government communication campaign and ongoing communication were central to the very high levels of awareness among mothers.

Amongst mothers aware of PPL, most eligible mothers could choose whether to take PLP or BB. Most PPL eligible mothers chose to take PLP, although about 17 per cent chose BB. Some PPL eligible mothers were more likely than others to choose BB, including:

- Disadvantaged mothers (notably those on casual contracts, single mothers, and those in blue collar jobs); and
- Self-employed mothers

## **Parents' eligibility for leave and use of leave following the introduction of PPL**

### **Mothers' perceived access to leave**

Overall, there was little change in PPL eligible mothers' perceptions of their access to leave following the introduction of PPL. Consistent with the evidence from employers about few changes to employer paid parental leave, there was no change in the proportion of mothers who believed they had access to unpaid maternity or parental leave or employer-provided paid maternity or parental leave. In the sample of mothers who gave birth in October or November 2012:

- Almost all mothers (98 per cent) who took PLP appeared to be eligible for statutory unpaid leave.
- Just under half (48 per cent) of PPL eligible mothers said they had access to employer paid maternity or parental leave.

PLP is not available to parents before a birth, although most mothers cease work some weeks before giving birth. The Phase 3 evaluation found that nearly all PPL eligible mothers (87 per cent) reported they had access to some form of paid or unpaid leave from their employer before the birth.

Mothers who chose BB rather than PLP had very different leave access profiles. These mothers were less likely to report having access to any leave (30 per cent with no leave access, compared to 13 per cent of PLP mothers), and were less likely to have access to commonly used leave forms such as paid and unpaid maternity and parental leave, or paid annual leave.

### **Mothers' leave uptake and length**

There have been only very small changes in leave uptake and the length of leave taken by mothers following the introduction of PPL. Comparing pre-PPL patterns with those after the introduction of PPL showed that:

- There has been a small increase in mothers taking unpaid leave following a birth. This change is likely to be a result of mothers now being able to receive a payment while being on unpaid leave. There has been no significant change in the likelihood that mothers will take any other kind of leave after birth.
- Almost all mothers who had access to employer paid maternity or parental leave continue to use it (97 per cent did so in the 2012 survey).
- There was no statistically significant change in the average total length of leave taken by PPL eligible mothers with access to leave following the introduction of PPL.

Moreover, the average length of paid and unpaid maternity and parental leave taken by mothers with access to this leave did not change.

PPL eligible mothers who chose BB had less access to leave than those who chose PLP, and were less likely to have taken such leave. Differences in leave access and leave taking between these groups further suggests that mothers who chose BB were disadvantaged compared to those who chose PLP. Thus:

- Nearly one third of PPL eligible mothers who chose BB (30 per cent) said they had no access to leave, compared to 13 per cent of PLP mothers.
- 40 per cent of these BB mothers took no leave, compared to 16 per cent of PLP mothers.
- Amongst those who had access to some leave, these BB mothers took significantly less leave than PLP mothers (average of 6.3 months compared to 8.2 months).

Phase 3 of the evaluation also threw light on aspects of mothers' leave taking before the birth, and how they use PLP in relation to any employer leave to which they are entitled:

- Mothers with access to leave before the birth of their babies were very likely to have taken some leave before their baby was born, with paid holiday leave or employer paid parental leave being the most common leave used, followed by statutory unpaid leave.
- Most mothers who took PPL and employer provided paid leave chose to take their PLP after their employer paid leave (62 per cent), though a sizeable group took it at the same time as employer paid leave (31 per cent).

### **Fathers' access to leave and leave uptake following the birth**

There were no major changes in mothers' accounts of the leave their partners took following the birth. A small increase in the proportion of mothers who said their partners had access to no leave (14 per cent before PPL, 17 per cent afterwards) was balanced by a small increase in the average leave taken by partners (an increase of about 3 days on average amongst partners with access to some leave).

### **Mothers' return to work**

A preliminary analysis in Phase 3 evaluation data suggests that the introduction of PPL has been associated with a significant reduction in the proportion of mothers who return to work within 18 weeks of their baby's birth, the maximum time PPL is available. In the pre-PPL sample, 22 per cent of mothers returned to work within this time, compared to 17 per cent after the introduction of PPL. Analysis showed that this pattern is independent of other factors associated with the timing of return to work. However, by the time their babies were 12 months old, post-PPL mothers were, if anything, slightly more likely to return to work than pre-PPL mothers. Thus, the introduction of PPL is associated with a reduced likelihood that mothers will

return to work early (within 18 weeks of the birth), but not with any reduction in longer term return to work. This is consistent with policy intent for mothers to spend more time with their baby, but not to be discouraged from ultimate return to the labour force.

## Conclusion

Phase 3 of the evaluation focused on short-term and intermediate outcomes of the PPL scheme. These include new parents' patterns of leave taking following the introduction of PPL, and employers' response to and experiences with PPL. Key findings include:

1. Awareness of PPL is almost universal amongst mothers eligible for the scheme. This is likely due largely to the effectiveness of the communication campaign and ongoing information provision.
2. Most mothers who were eligible for both PLP and BB chose PLP. Socially and economically disadvantaged mothers were more likely to choose BB, as were self-employed mothers.
3. The main change in mothers' patterns of leave-taking following a birth was a small increase in the proportion taking unpaid leave. Mothers have not changed the total amount of leave they take.
4. A preliminary analysis shows a significant reduction in the proportion of mothers who return to work within 18 weeks of their baby's birth. In the pre PPL sample of PPL eligible mothers, 22 per cent of mothers returned to work within this time, compared to 17 per cent in the post PPL sample.
5. By the time their babies were 12 months old, post-PPL mothers were, if anything, slightly more likely to return to work than pre-PPL mothers. Sixty nine per cent of mothers in the pre-PPL sample and 73 per cent of mothers in the post-PPL sample had returned to work by the time their child was 12 months old.
6. Employers have generally maintained their own paid parental leave arrangements as PPL has been implemented. The result is that the proportion of working women in Australia reporting that they have access to employer-provided paid leave has not changed from 2011 to 2012.
7. Most employers have not made any changes to their paid leave or other employment policies and practices in response to the introduction of PPL.
8. The costs to employers of implementing PPL have generally been very minimal, both in terms of time and money. Nevertheless, some employers reported experiencing some difficulties in implementing and administering the scheme.

9. Although employer attitudes to PPL remain mixed, attitudes became more positive between 2011 and 2012.

The final phase of the evaluation (phase 4) will focus on progress towards the ultimate outcomes of the scheme: mothers' workforce participation, gender equity, and mothers' and babies' health and wellbeing. Evaluation of progress towards these outcomes will involve careful comparison of baseline data, collected for Phase 1 of the evaluation, with data collected after the introduction of PPL.



# 1 Introduction

Since 1 January 2011, most Australian families in which a mother was in paid employment before the birth or adoption of a baby have been eligible for the Australian Government's PPL scheme. The scheme provides eligible working parents with up to 18 weeks of PLP, paid at the rate of the National Minimum Wage, following the birth or adoption of a child. The PPL scheme brings Australia into line with all other OECD countries, except the United States, in having a national scheme for paid leave available to working mothers following childbirth.

The then Australian Government Department of Families, Housing, Community Services, and Indigenous Affairs (now the Department of Social Services (DSS)) commissioned the Institute for Social Science Research at the University of Queensland to undertake a comprehensive evaluation of the PPL scheme. The evaluation will assess the outcomes of the scheme, including progress towards the three main policy objectives. It will also evaluate operational aspects of the scheme. This report provides the main findings of the evaluation of the operational aspects of the scheme and the scheme's immediate outcomes.

## 1.1 The Paid Parental Leave Scheme

The PPL scheme is designed to improve the support available to Australian families with infants where the primary carer takes time out of the labour force to care for a newborn or recently adopted child. The scheme aims to provide assistance to a broad range of Australian families where the primary carer (who will usually be the child's birth mother) has been working in a paid job for at least 10 of the 13 months before the child's birth. The work test requires that claimants have worked at least 330 hours (on average just over one day per week) during 10 of the 13 months before the birth, with no more than an eight week gap between consecutive work days, a requirement that was designed to be generous. Claimants must also meet residency, income and primary carer requirements.

The Australian Government sought to achieve three main objectives in introducing the scheme:

1. To enhance the health of babies and mothers, and the development of children, by enabling working mothers to spend longer at home with their newborn children;
2. To facilitate women's labour force participation; and
3. To encourage gender equality and improve the balance of family and work life in Australian families.

The key features of the PPL scheme are as follows:

Payments under the scheme are fully government funded, rather than requiring direct employer funding, or being financed through national insurance payments as in many European countries.

Generally, the birth mother must first be eligible for the payment, and if her partner is eligible and becomes the child's primary carer, she may transfer some or all of the payment to her partner.<sup>2</sup>

Parents are eligible if they:

- Are the primary carer of a newborn or recently adopted child;
- Worked for at least 10 of the 13 months (295 days in a 392 day period) prior to the expected date of birth or adoption;
- Worked at least 330 hours in that 10 month period (around 7.6 hours per week on average),
- Have had no more than an eight week (56 consecutive day) gap between two consecutive working days;
- Have an individual adjusted taxable income of \$150,000 or less in the financial year before the birth or adoption, or date of claim, whichever is earlier; and
- Are on leave or not working from the time they become the child's primary carer until the end of their PPL period.

PLP is paid at the rate of the National Minimum Wage for up to 18 weeks, irrespective of the hours or earnings of the claimant before the birth.

PLP is provided through employers in the majority of cases. From 1 July 2011 an employer (with an Australian Business Number) must provide PLP to an eligible employee who:

- Has a child born or adopted from 1 July 2011; and
- Has worked in the business for at least 12 months prior to the expected date of birth or adoption – consistent with the eligibility requirements for unpaid parental leave under the National Employment Standards (NES) in the *Fair Work Act (2009)*; and
- Will be an employee of the business for their PPL period; and
- Is an Australian based employee; and
- Is expected to receive at least 8 weeks of PLP.

From the start of the scheme (from 1 January 2011) employers could opt-in to provide PLP to eligible employees who they were otherwise not required to provide the payment to. The opt-in arrangements are an ongoing feature of the scheme.

PLP is provided by Centrelink to other eligible parents including short-term and non-ongoing employees, and non-employees such as the self-employed.

---

<sup>2</sup> There is provision in the legislation for exceptional circumstances to be considered where the birth mother is incapable of being the primary carer.

PLP can be taken at any time within the first 12 months of the child being born or entering the parent's care.

PLP must be taken in one continuous period without any break, even if it is transferred from the mother to her partner. Once a mother has returned to work she will be ineligible for PLP after this time.

PLP is taxable.

Families may choose to take either PLP or BB if they are eligible for both payments, but cannot receive both, except if eligible in the case of multiple births.

Family Tax Benefit Part B and some tax offsets are not available during the PPL period.

In the first full financial year of the Paid Parental Leave scheme's operation, 2011-12, almost 130,000 expectant and new parents applied for the Paid Parental Leave scheme. Around 125,000 families started receiving Parental Leave Pay (excluding those whose payment started in 2010-11 and finished in 2011-12).

## 1.2 The PPL Evaluation

At the time of the announcement of the PPL scheme in May 2009, the Government committed to undertaking an evaluation of the scheme. The evaluation is aimed at informing the Government about the impacts of the scheme. It will provide evidence to help inform decisions that may be taken to amend aspects of the scheme. A particular focus of the evaluation is whether there are indications that the scheme will achieve its main objectives (see above).

The evaluation is proceeding in four phases, with the fourth phase being the production of the final report:

**Phase 1** (2010-2011) focused on establishing robust baseline data in all areas related to the intermediate and ultimate outcomes of the evaluation.

**Phase 2** (2011-2012), was focused on evaluating the initial operation of the PPL scheme.

**Phase 3** (2012-2013) focuses on evaluating the short-term and intermediate outcomes of the PPL scheme.

**Phase 4** (2014) will be the Final Evaluation Report, and will focus on evaluating progress towards achieving the ultimate outcomes of the scheme.

This report presents results from Phase 3 of the evaluation. Previous reports have presented results from Phases 1 and 2 of the evaluation (Martin et al. 2012, Martin et al. 2013).

### **1.3 Phase 3 research questions**

This report focuses on answering two broad research questions, each of which has a number of components:

1. What have been the short term outcomes of the scheme? In particular, the report examines:
  - a. Are potential recipients aware of the scheme?
  - b. Do families make appropriate choices?
  - c. Are applications received and granted?
  - d. How have employer leave provisions and HR practices changed since the scheme commenced operation?
  - e. How is PLP managed within organizations as the scheme settles in?
  - f. How has the character of the employment relationship been affected as PPL has become more established?
2. To what extent has the uptake of the scheme aligned with initial estimates and expectations? In particular, the report examines:
  - a. What are the details of PLP uptake?
  - b. Have uptake patterns varied between families of different kinds?
  - c. Have employer responses to PLP affected uptake?
  - d. For how long did families receive PLP?
  - e. How has PLP interacted with the mothers' use of paid and unpaid leave from their employers?
  - f. Has PLP affected mothers' return to work after a birth?
  - g. What has been the role of employers in return to work patterns?

### **1.4 Main data collections and data sources for Phase 3**

To answer these research questions, this report uses some existing and administrative data. However, its main data sources are surveys and in-depth interview data collected during Phase 3 of the evaluation. The analysis includes comparison of this newly collected data with baseline data collected before the commencement of the PPL scheme, in Phase 1 of the evaluation. For this comparison, the analysis uses the Baseline Mothers Survey (BaMS) from Phase 1, which is a large national survey of 2,587 mothers who had given birth in October and November 2009, and were surveyed when their babies were about 13 months old. More complete details of BaMS survey and methodology can be found in the Phase 1 evaluation report (Martin et al. 2012). The report also makes comparisons with data collected for Phase 2

of the evaluation conducted in 2011, shortly following the commencement of PPL. The main Phase 2 data source used in this report is the Employer Implementation Phase Evaluation Study (EIPE), a survey of 501 employers who were currently providing at least one employee PLP in July or August 2011. More complete details of this survey and methodology are provided in the Phase 2 evaluation report (Martin et al. 2013).

Data was collected for Phases 3 and 4 of the evaluation through four studies:

1. A longitudinal survey of new mothers, the Family and Work Cohort Survey (FaWCS). FaWCS involved telephone surveys of a large sample of PPL eligible mothers who gave birth in October and November 2011. Some mothers in the survey chose to take PLP, while others chose BB. Mothers were initially surveyed when their babies were about 6 to 8 months old, and then surveyed again when their babies were about 13 months old. The initial sample consisted of 4,201 mothers, with 3,501 having taken PLP and 700 having taken BB. The sample was a random sample from PPL eligible mothers granted PLP or BB for births during October or November 2011.
2. An in-depth interview study of a subsample of mothers who responded to FaWCS. Ninety-seven mothers were interviewed face to face, using a semi-structured interview schedule. Interviews were conducted in Brisbane, Melbourne, Sydney, Adelaide and Northern NSW. The interview sample focused on groups of special interest: indigenous mothers, single mothers, and mothers who had casual jobs or were self-employed before the birth of their babies. All interviews were recorded and transcribed for analysis.
3. A cross-sectional survey of employers, the Employers Impact Analysis (EMPERIA) study carried out in 2012. EMPERIA was a telephone survey of a stratified random sample of 441 employers who were providing PLP to at least one employee in July or August 2012. The survey was conducted between October and November 2012. The survey data presented here are representative for all employers who were providing at least one employee PLP in July and/or August 2012.
4. An interview study of employers, involving 40 in-depth interviews with employers conducted in November and December 2012. Interviewees were respondents to EMPERIA who had indicated that they were willing to be interviewed. All interviews were recorded and transcribed for analysis.

Data collected in earlier phases of the evaluation were also used for comparison, as indicated throughout this report.

## 2 Short term outcomes – employer responses

This chapter of the report examines how employers have responded to the PPL scheme. It considers their provision of paid and unpaid leave in relation to PPL, changes in HR practices, their management of PLP within their organisations, and their experiences in administering the scheme.

### 2.1 Employer leave provisions

Employers continue to play a crucial role in the PPL scheme. Attention is given to this role by investigating employers' experiences in meeting their responsibilities under the PPL scheme in the second year of operation. Key issues include: employer leave provisions and changes to these provisions; how employers managed PLP in their organisation, including their experiences in sourcing information about PPL, registering for the scheme, and administering it; how employers managed PLP with their employees, and employers' experiences with the KIT provisions of the PPL scheme. The findings in this section are primarily based on the Employers Impact Analysis (EMPERIA) study carried out in 2012. EMPERIA involved a survey of a stratified random sample of 441 employers who were providing PLP to at least one employee in July or August 2012 and 40 in-depth interviews with employers. The survey was conducted between October and November 2012 and the interviews were conducted between November and December 2012. The survey data presented here are representative for all employers who were providing PLP to at least one employee in July and/or August 2012. As such, it is not possible to make simple comparisons between the EMPERIA data and the EIPE data presented in the Phase 2 evaluation, which was representative of employers providing PLP to at least one employee in July and/or August one year earlier. As shown in Table 2.1 below, the sampling frames for both of these studies (in essence, the pool of employers providing PLP to at least one employee for that time period) differ significantly.

**Table 2.1 Sampling frames for 2011 and 2012 of employers currently providing PLP to at least one employee in July and/or August for that year, by organisational size**

<b>Number and percentage of employers in each sampling frame providing PLP to at least one employee in July and/or August in that year, by organisational size</b>	<b>Large (200+ employees) (per cent)</b>	<b>Medium (20-199 employees) (per cent)</b>	<b>Small (2-19 employees) (per cent)</b>	<b>Total</b>
Sampling frame 2011	996 (35 per cent)	1008 (35 per cent)	850 (30 per cent)	2854 (100 per cent)
Sampling frame 2012	2362 (24 per cent)	4030 (40 per cent)	3579 (36 per cent)	9971 (100 per cent)

Source: EMPERIA

In 2011, small employers with between 2-19 employees represented 30 per cent of businesses providing PLP to at least one employee in July and/or August. Medium and large employers respectively represented 35 per cent of businesses providing PLP to at least one employee. In the second year of operation of PPL, the distribution of employers providing PLP to at least one employee in July and/or August 2012 had shifted considerably. Large employers represented 24 per cent of the sampling frame in 2012, medium businesses 40 per cent and small businesses 36 per cent. In each year, a random sample of employers was drawn from each sampling frame. Each random sample was representative of the proportion of sample available by state to within  $\pm 1$  per cent. Yet each of these samples is representative of *the sampling frame for that year*, meaning it is only possible to make statements about the population of Australian employers providing PLP to at least one employee in July and/or August of that year. It is not possible to compare data from 2011 with data from 2012 on the basis of descriptive methods alone.

To make comparisons between 2011 and 2012 in employer responses to PPL, statistical analyses have been conducted that take account of differences in the 2011 and 2012 employer samples. These analyses are conducted on the combined EIPE and EMPERIA samples. They take account of sample differences in employer size and sector, along with differences in three other factors that could confound results: the proportion of female permanent or ongoing employees, the proportion of employees that are part-time, and unionization levels. Assessment of change between 2011 and 2012 is based on remaining differences in attitudes and behaviour towards PPL of EIPE respondents compared to EMPERIA respondents, after these factors are taken into account. Analyses were also conducted to assess whether the association between any of these factors and attitudes and behaviour towards PPL changed between 2011 and 2012.

The analyses are presented as follows: First, a description of the situation in 2012 is given using the EMPERIA study. Consideration is given to possible variation across employers by size and sector in relation to the provision of organisational leave, changes to leave, the management of PLP in the organisation, the management of PLP with employees and experiences with the KIT provisions. In these analyses, the data is representative of employers providing PLP to at least one employee in July and/or August 2012. Following the presentation of these findings, any significant changes in employer behaviour or experiences with PPL between 2011 and 2012 are discussed based on the statistical analysis described in the previous paragraph. Conclusions are provided in the final section.

### **2.1.1 Organisational policies and leave provisions**

Employers provide their employees with a wide variety of paid and unpaid leave entitlements, and these could possibly change following the implementation of PPL. Throughout this report, a distinction is made between paid maternity leave, which is for mothers to take time off before

the birth and/or care for children after the birth, paternity leave, which is for fathers to care for children and support their partner after the birth, and primary carer's leave, which is for mothers or fathers to care for children after birth. To investigate organisational policies and leave provisions, it is necessary to make a distinction between employers who do not have formal (documented) HR policies about leave for employees before or after the birth of a child and employers who do have such formal policies, as this can affect whether employers offer formally arranged paid or unpaid leave provisions. Just over two-thirds of all employers (69 per cent) had formal, documented HR policies about leave for employees before or after the birth of a child and another four per cent were planning to develop these policies (Table 2.2). Some 23 per cent of employers did not have these formal HR policies and were not planning to develop them. Small employers in the private sector (with less than 20 employees) were the least likely to have formal, documented HR policies about leave for employees before or after the birth of a child. Indeed, just more than half (52 per cent) of small employers in the private sector had these policies.

**Table 2.2 Formalization of HR policies about leave for employees before or after the birth of a child**

Does business/ organisation have formal, documented HR policies about leave for employees before or after the birth of a child <sup>a</sup>	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public all sizes (per cent)	All organisations (per cent)
Yes, have formal policies	88	70	52	97	69
No, but planning to develop formal policies	2	5	4	1	4
No	7	20	40	1	23
Don't know/refused	3	5	3	0	4
Total	100	100	100	100	100
N	75	168	157	41	441

<sup>a</sup> Chi-square test indicates that this is significantly different across Employer Size at  $P < 0.0001$ .

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### Formally arranged paid leave

According to the survey data, overall 23 per cent of employers offered some form of formally arranged paid parental leave, including paid maternity leave, paid paternity leave and/or paid primary carer's leave. Looking at the type of leave provided by employers (Table 2.3), employers were most likely to offer paid maternity leave: 28 per cent of all organisations offered mothers paid time off from work either prior to or following birth. Employers differed significantly in the provision of paid leave across size and sector (Table 2.3). Public sector organisations were most likely to offer some form of paid leave to parents. Paid maternity leave was the most common form of paid leave provided by public sector employers (available



in 87 per cent of public sector organisations). Only 12 per cent of public sector employers reported providing no paid leave. In comparison, just over half (54 per cent) of large employers in the private sector offered paid maternity leave. Only 22 per cent of medium and seven per cent of small employers in the private sector offered paid maternity leave. Slightly smaller percentages of organisations offered paid paternity leave. Again, paid paternity leave was most common in public sector organisations, where 77 per cent of employers offered this type of leave. Less than half (45 per cent) of large employers in the private sector offered paid paternity leave and this percentage decreased to 16 per cent in medium organisations and 4 per cent in small organisations in the private sector.

**Table 2.3 Employer-paid leave by sector and organisational size**

<b>Business/ organisations offering</b>	<b>Private large (200+ employees) (per cent)</b>	<b>Private medium (20-199 employees) (per cent)</b>	<b>Private small (2-19 employees) (per cent)</b>	<b>Public all sizes (per cent)</b>	<b>All organisations (per cent)</b>
Paid <i>maternity</i> leave <sup>a</sup>	54	22	7	87	28 <sup>b</sup>
Paid <i>paternity</i> leave <sup>a</sup>	45	16	4	77	22 <sup>b</sup>
Paid <i>primary carer's</i> leave <sup>a</sup>	30	10	9	59	17 <sup>b</sup>
No employer-funded paid leave provided <sup>a</sup>	41	74	86	12	67 <sup>b</sup>
Some form of employer-paid leave provided	59	26	14	88	33
N	75	168	157	41	441

<sup>a</sup> Chi-square test indicates that this is significantly different across Employer Size at  $P < 0.0001$ .

<sup>b</sup> Employers can offer multiple types of paid leave, therefore the percentages do not equal 100 per cent.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

The availability of formally arranged paid leave also differed by industry (Table 2.4). It is important to note, however, that while the EMPERIA data is representative of employers providing PLP to at least one employee in July and/or August in 2012, it is not representative across industry. When considering variation in employer-paid leave provisions across industry, as outlined in Table 2.4, one must note the final column in the right-hand side of the table 'N', which denotes how many employers in each industry were in the weighted sample. All information is reported in this table to provide detailed information about leave provisions across industry. However, when the results for an industry are based on responses from less than ten employers, caution should be used when interpreting the table as these results may not be representative of all employers in that industry.

In several female dominated industries (DEEWR, 2012), only a small percentage of employers offered employer-funded paid leave. For example, 97 per cent of employers in Accommodation and Food Services, 66 per cent of employers in Administrative and Support Services, 88 per

cent of employers in Retail Trade and 67 per cent of employers in Healthcare and Social Assistance offered *no* employer-funded paid leave. In contrast, 50 per cent or more of employers in two sectors (Public Administration and Safety and Education and Training) offered paid maternity leave. While 100 per cent of employers in Electricity, Gas, Water & Waste Services offered paid maternity leave, this reflects information from just four employers, meaning the results may not be representative for all employers within this industry. In addition, 61 per cent of employers in Education and Training and 80 per cent of employers in the Public Administration and Safety industries offered paid paternity leave. Only a small percentage of employers offered paid primary carer's leave in most industries, with the exception of Education and Training and Public Administration and Safety. The number of employers in Electricity, Gas, Water & Waste Services offering paid paternity leave is too small to draw reliable conclusions.

**Table 2.4 Employer-paid leave by industry**

Industry	Offer paid maternity leave <sup>a</sup> (per cent)	Offer paid paternity leave <sup>a</sup> (per cent)	Offer paid primary carer's leave <sup>a</sup> (per cent)	No employer-funded paid leave <sup>a</sup> (per cent)	N
Agriculture/Forestry/ Fishing	0	0	0	100	3
Mining	37	37	37	63	3
Manufacturing	26	17	17	64	39
Electricity/Gas/Water/ Waste Services	100	71	71	0	4
Construction	9	5	20	75	11
Wholesale Trade	6	6	2	94	25
Retail Trade	12	6	6	88	18
Accommodation/Food Services	0	0	3	97	18
Transport/Postal/ Warehousing	36	27	18	60	12
Information media/ Telecommunications	23	11	0	77	5
Financial/Insurance Services	16	23	10	71	27
Rental Hiring/Real Estate Services	16	16	29	59	14
Professional/Scientific/ Technical Services	20	16	13	77	68
Administrative/Support Services	24	11	14	66	26
Public Administration/Safety	89	80	47	11	21
Education/Training	71	61	44	29	28
Healthcare/Social Assistance	31	23	15	67	96
Arts/Recreation Services	46	29	24	54	7
Other	12	12	12	79	18
All organisations (per cent)	28	22	17	67	441

<sup>a</sup> Chi-square test indicates that this is significantly different across industry at  $P < 0.0001$ .

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### Eligibility for leave

Employees may be required to meet a number of eligibility requirements to be eligible for employer-funded paid leave, including a qualifying service period. Almost all paid leave offered by employers, particularly paid maternity and paid paternity leave, was dependent upon a qualifying service period. These requirements differed across leave types and across size and sector (Table 2.5). When looking at maternity leave only large, private businesses and public organisations were most likely to require a qualifying service period (99 per cent and 97 per cent respectively). This percentage was lower for private, small companies (86 per cent) and

private, medium companies (83 per cent). Note, however, that the number of small, private employers that offered paid maternity or primary carer's leave is quite small. The number of private, small employers that offered paid paternity leave is too small to produce reliable estimates.

Amongst organisations that required it, the average qualifying service period for paid maternity leave was 12.8 months. Again, this varied across organisational size and sector. Public sector organisations had the lowest average qualifying service period of 12.1 months and private, large businesses had the highest average qualifying service period of 13.3 months. The average qualifying service period was slightly lower for paid paternity leave (12.7 months on average), but this also varied significantly across organisational size and sector. Where it did exist, the average qualifying service period for paid primary carer's leave was somewhat lower (12.1 months on average). The qualifying service periods for paid primary carer's leave did not vary across size and sector.

**Table 2.5 Qualifying service period requirements by sector and size, maternity leave**

Type of leave	Qualifying service period required	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public all sizes (per cent)	All organisations (per cent)
Maternity <sup>a</sup>	Yes	99	83	86	97	92
	No	0	10	14	1	5
	Don't know	1	7	0	1	3
	Total	100	100	100	100 <sup>p</sup>	100
	N	40	37	12	36	125
	Average months	13.3	12.9	12.6	12.1	12.8
Paternity <sup>a</sup>	Yes	94	77	<sup>c</sup>	76	82
	No	5	18	<sup>c</sup>	24	14
	Don't know	2	5	<sup>c</sup>	0	3
	Total	100 <sup>b</sup>	100	<sup>c</sup>	100	100 <sup>b</sup>
	N	34	27	<sup>c</sup>	31	99
	Average months	13.0	13.2	<sup>c</sup>	11.9	12.7
Primary Carer's	Yes	70	46	38	37	49
	No	25	46	63	47	43
	Don't know	5	8	0	16	8
	Total	100	100	100 <sup>b</sup>	100	100
	N	23	16	13	24	76
	Average months	13.4	7.8	12	11.3	12.1

<sup>a</sup> Chi-square test indicates that this is significantly different across Employer Size-Sector and sector at P<0.05.

<sup>b</sup> Does not equal 100 per cent due to rounding.

<sup>c</sup> Too few cases to provide reliable estimates.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### Employer-provided paid leave duration

Eligibility for employer provided paid leave was not only dependent upon a qualifying service period but also upon the kind of contract on which workers were employed (Table 2.6). The EMPERIA survey data show that permanent and ongoing employees consistently had the most access to employer-provided leave across all organisational sizes and sectors. In addition, the EMPERIA survey demonstrates that a majority of employers in the public sector offered their fixed-term employees maternity leave (51 per cent), paternity leave (56 per cent) and/or primary carer's leave (58 per cent), which is significantly higher than the proportions of private employers who offered these types of leave to their fixed-term employees. Paid maternity leave was available to 31 per cent and 19 per cent of fixed term employees respectively in private, large and private, medium businesses. Casual employees, and to a much lesser degree independent contractors were, in some cases, also eligible for paid

maternity leave according to the respondents in the EMPERIA survey, although this was generally less than 25 per cent (with the exception of casuals employed in the public sector, where 27 per cent of employers offered casual employees paid maternity leave). The number of small, private employers who offered paid maternity, paternity or primary carer's leave to their fixed term and casual employees, or independent contractors, was too small to produce reliable estimates.

Focusing solely on permanent and ongoing employees, public organisations offered, on average, the longest duration of paid maternity leave at 13 weeks (see Table 2.6). Private, medium businesses offered 11.3 weeks and private, large businesses offered 10.6 weeks. The average duration of paid maternity leave offered by private, small employers could not be estimated given the absence of enough cases. The average duration of paid paternity leave and paid primary carer's leave was considerably lower, varying between 2.5 weeks (private, large businesses) and 4.7 weeks (private, medium organisations) average duration for both forms of leave. Eligibility for this leave is discussed below. Note that only a very small number of private, small businesses (n=12, weighted data) offer paid paternity and/or paid primary carer's leave, therefore while the duration is somewhat longer at 5.3 weeks, this is only offered by few employers.

**Table 2.6 Leave duration by sector-size and employee type**

Sector and size	Employee type	Maternity Leave <sup>a</sup>				Paternity Leave <sup>a</sup>				Primary Carer's Leave <sup>a</sup>			
		Per cent	Min weeks	Max weeks	M Weeks	Per cent	Min weeks	Max weeks	M weeks	Per cent	Min weeks	Max weeks	M weeks
Private large (200+ employees)	Permanent / Ongoing	100	1	24	10.6	100	0.3	18	2.5	98	0.3	18	2.5 <sup>e</sup>
	Casual	22	4	18	11.3 <sup>c</sup>	14	2	14	3.8	14	2	14	3.8
	Fixed-term	31 <sup>f</sup>	5	18	12.2	27 <sup>g</sup>	0.29	3	1.6	36 <sup>h</sup>	0	6	1.7
	Contractor	6	12	18	14	5	1	3	2.3	3 <sup>b</sup>	1	1	1
Private medium (20-199 employees)	Permanent / Ongoing	97	4	26	11.3	100	0.4	16	4.7 <sup>c</sup>	100	0.4	16	4.7 <sup>e</sup>
	Casual	16	4	18	10.5	12	1	4	2.5	12	1	4	2.5
	Fixed-term	19 <sup>f</sup>	0	14	8.8	28 <sup>g</sup>	0	12	3.2	30	0	1	0.5
	Contractor	i	i	i	i	i	i	i	i	i	i	i	i
Private small (2-19 employees)	Permanent / Ongoing	100	i	i	i	100	2	12	5.3 <sup>c</sup>	100	2	12	5.3 <sup>e</sup>
	Casual	0	b	b	b	0	b	b	b	0	b	b	b
	Fixed-term	0 <sup>f</sup>	b	b	b	0	b	b	b	0	b	b	b
	Contractor	0	b	b	b	0	2	2	2	0	b	b	b
Public (all sizes)	Permanent / Ongoing	99	0.9	25	13.0	100	1	14	2.6 <sup>d</sup>	91	1	12	2.6 <sup>e</sup>
	Casual	27	4	24	11.9	23	1	12	2.5	23	1	12	2.6
	Fixed-term	51 <sup>f</sup>	4	26	13.9 <sup>c</sup>	56 <sup>g</sup>	1	12	2.1	58	1	12	2.7 <sup>c</sup>
	Contractor	i	i	i	i	i	i	i	i	i	i	i	i

<sup>a</sup> For each leave type, Table 2.6 lists the percentage of employees eligible for the leave in that sector, the minimum and maximum number of weeks of leave they are entitled to, and the average number of weeks of leave available to them.

<sup>b</sup> No cases.

<sup>c</sup> One or two employers answered “don’t know” therefore one or two observations are missing.

<sup>d</sup> Three observations missing as 3 employers answered “don’t know” to length of time.

<sup>e</sup> 17 observations missing as 16 employers answered “don’t know” to length of time, specifically, private large=5, private medium=2, private small=2, and public all size=7.

<sup>f</sup> Chi-square tests indicate that Maternity Leave percentage is statistically significant for fixed-term employee type across Size-Sector at  $P < 0.05$ .

<sup>g</sup> Chi-square tests indicate that Paternity Leave percentage is statistically significant for fixed-term employee type across Size-Sector at  $P < 0.05$ .

<sup>h</sup> Chi-square tests indicate that Primary Carer’s Leave percentage is statistically significant for fixed-term employee type across Size-Sector at  $P < 0.05$ .

<sup>i</sup> Too few cases to provide reliable estimates.

Note: All percentages in this table are weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

All minimum, maximum and averages listed used unweighted data.

Source: EMPERIA



### **Employer-provided leave rates of pay and superannuation contributions**

Considering rates of pay and superannuation contributions for permanent and ongoing employees, Table 2.7 shows almost all employers paid employees at normal rates of pay when they were on paid maternity leave. Private, large employers (97 per cent) and public sector employers (95 per cent) were most likely to provide maternity leave at normal rates of pay to their permanent/ ongoing employees who were eligible for it, but even in smaller and medium sized private companies more than 85 per cent of organisations that offered paid maternity leave to permanent and ongoing employees did so at the normal rate of pay. In addition, more than three-fourths (79 per cent) of public sector employers also allowed permanent/ ongoing employees to take maternity leave at half rates of pay, thereby doubling leave duration. The possibility of taking maternity leave at half rates of pay to lengthen the duration differed significantly across organisational size and sector, however. Private large (61 per cent), private small (57 per cent) and private medium employers (36 per cent) who offered paid maternity leave were significantly less likely to make this leave available at half rates of pay. In these businesses, employees could not take the leave at half pay to lengthen the duration of leave. In regards to paid paternity leave, almost all employers across all sectors that offered paid paternity leave did so at normal rates of pay. The exception to this is private small employers, where 75 per cent of businesses that offered paid paternity leave did so at normal rates of pay. Again, however, note that very few private, small employers offered paid paternity leave. Less than half of all employers that offered such leave allowed fathers to take paternity leave or paid primary carer's leave to be taken at half rates of pay. Lastly, almost all employers offered paid primary carer's leave at normal rates of pay.

**Table 2.7 Leave remuneration and superannuation contributions, by sector, size and employee type**

Sector and size	Employee Type	Eligible for Paid maternity leave			Eligible for paid paternity leave			Eligible for primary carer's leave		
		NRP (per cent)	HRP (per cent)	S (per cent)	NRP (per cent)	HRP (per cent)	S (per cent)	NRP (per cent)	HRP (per cent)	S (per cent)
Private large (200+ employees)	Permanent or Ongoing	97	61 <sup>e</sup>	56 <sup>c</sup>	100 <sup>e</sup>	38	72 <sup>c</sup>	98	43	74 <sup>c</sup>
	Casual	100	53 <sup>e</sup>	53 <sup>d</sup>	100	b	63	b	b	b
	Fixed-term	95 <sup>d</sup>	55 <sup>de</sup>	40 <sup>dc</sup>	b	b	b	100	50	b
	Contractors	b	b	b	b	b	b	b	b	b
Private medium (20-199 employees)	Permanent or Ongoing	89	36	61	90	24	67	92	17	75
	Casual	83	0	100	100	0	b	a	a	a
	Fixed-term	100	60	80	100	60	60	100	33	100
	Contractors	b	b	b	b	b	b	a	a	a
Private small (2-19 employees)	Permanent or Ongoing	86	57	57	75	50 <sup>c</sup>	75	88	25	100
	Casual	a	a	a	a	a	a	b	b	b
	Fixed-term	a	a	a	a	a	a	a	a	a
	Contractors	a	a	a	a	a	a	a	a	a
Public (all sizes)	Permanent or Ongoing	95	79	83	100	25	92	98	31	98
	Casual	94 <sup>d</sup>	72 <sup>d</sup>	79	100	40	92	100	36	100
	Fixed-term	97 <sup>d</sup>	90 <sup>d</sup>	97	100	20	97	100	27	100
	Contractors	b	b	b	b	b	b	b	b	b

<sup>a</sup> No cases.

<sup>b</sup> Too few cases to provide reliable estimates.

<sup>c</sup> Chi-square tests indicate that S is statistically significant for permanent and fixed-term employee type respectively across Size-Sector at P<0.05.

<sup>d</sup> One or two employers answered "don't know" therefore one or two observations are missing.

<sup>e</sup> Chi-square tests indicate that HRP is statistically significant for permanent and fixed-term employee type respectively across Employer Size-Sector at P<0.05.

**Key:**

NRPOffered at normal rates of pay

HRPOffered at half rates of pay

S Accrue superannuation while on leave

NFP A Not-for-profit organisation

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

The EMPERIA data presented in Table 2.7 also indicate that a large proportion of employers allowed employees to continue to accrue employer superannuation contributions while on maternity leave: 83 per cent, 61 per cent, 57 per cent and 56 per cent respectively of public, private medium, private small and private large employers continued to provide superannuation contributions for permanent and ongoing employees while they were on paid maternity leave. The continuation of employer superannuation contributions if employees were on paid paternity leave or paid primary carer's leave varied across organisational size and sector. Nearly all (92 per cent) public sector employers that offered paid paternity leave continued superannuation contributions during such leave, in comparison to between 67 per

cent (private medium) and 75 per cent (private small) of permanent/ ongoing employers in the private sector. Almost all permanent and ongoing employees on paid primary carer's leave in the public sector (98%) or in private, small organisations continued to accrue superannuation contributions while on this leave. This was the case for 75 per cent of private medium employers and 74 per cent private large employers who offered primary carer's leave.

### Unpaid Leave

Employers can provide further unpaid leave in addition to the initial 12 months unpaid parental leave provided for under the National Employment Standards<sup>3</sup>. Table 2.8 outlines employer provisions of unpaid leave by organisational size and sector. More than half (53 per cent) of employers offered unpaid leave provisions above and beyond the initial 12 month NES entitlement, but there were significant differences across organisations. Private organisations with more than 200 employees were significantly more likely to offer further unpaid leave entitlements: 69 per cent of private large organisations offered their employees unpaid leave, in comparison to 48 per cent of medium (20-199 employees) and 45 per cent of small (less than 20 employees) organisations in the private sector. Three-fourths of employers in the public sector offered unpaid leave above and beyond the initial 12 month NES entitlement.

**Table 2.8 Employer provisions of unpaid leave by organisational size**

Does your organisation offer any unpaid maternity, paternity or primary carer's leave in addition to the 12 month entitlement <sup>a</sup>	Employer Size and Sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public All sizes (per cent)	
Yes	69	48	45	75	53
No	30	45	50	25	42
Don't know/Refused	1	7	5	0	5
Total	100	100	100	100	100
N	75	168	157	41	441

<sup>a</sup> Chi-square test indicates that this is significantly different across Employer Size at P<0.05.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### 2.1.2 Changes to Organisational Leave Policies in 2012

The EMPERIA data collected during 2012 demonstrate that 14 per cent of organisations then offering paid leave of any form (maternity, paternity or primary carer's leave) had introduced new policies following the implementation of the scheme, or had changed their existing paid leave policies (Table 2.9). Changes to organisational leave policies did not differ significantly

<sup>3</sup> Long term employees have a right to 12 months unpaid parental leave under the National Employment Standards (NES), with a right to request up to an additional 12 months unpaid leave, to a maximum of 24 months per family.

based on organisational size and/or sector. Considering the types of changes made to organisational leave policies, the EMPERIA survey assessed whether employers who offered paid leave and changed their policies introduced, topped up, withdrew or reduced their leave.

**Table 2.9 Changes to paid leave policies or introduction of new policies in 2012 made by organisations that offer employer-paid leave**

Were changes made to paid maternity/paternity/primary carer's leave or new policies introduced leading up to or following the introduction of the PPL scheme? <sup>a</sup>	Employer Size and Sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public All sizes (per cent)	
Yes	19	9	9	19	14
No	77	89	91	81	83
Don't know	5	3	0	0	2
Total	100	100	100	100	100 <sup>c</sup>
N <sup>b</sup>	44	43	18	36	142

<sup>a</sup> Chi-square test indicates that this is not significantly different across Employer Size.

<sup>b</sup> Number of Employers who indicated that they offer paid maternity/paid paternity/paid primary carers' leave.

<sup>c</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee PLP in July and/or August 2012.

Source: EMPERIA

Table 2.10 outlines the types of changes made to existing leave policies and/or introduction of leave policies by the 14 per cent of employers who did make changes. More than three-fourths (76 per cent) of employers that made changes to existing leave policies had introduced a *new* policy that combined with the PPL scheme, and 49 per cent topped up the PPL scheme. A top up could involve, for example, "topping up" the payment to usual salary for all or part of the 18 week period, or providing some other additional employer-funded entitlement such as extra paid leave or a return to work bonus. For 27 per cent of employers who offered paid leave the implementation of the PPL scheme went hand-in-hand with the introduction of a new stand-alone policy on paid leave or an increase in existing organisational leave policies. A further 13 per cent of these employers who offered paid leave increased their *existing* paid leave by combining it with PLP.

A few employers who had paid leave and made changes to this leave actually reduced one or all of their existing paid leave entitlements (5 per cent of the 14 per cent of employers that made changes to their existing leave policies) or withdrew one or all of their existing paid leave entitlements (30 per cent of the 14 per cent of employers that made changes to their existing leave policies) following the implementation of PPL. All of the employers who reduced and/or withdrew various leave policies also made other changes to their leave policies, such as increasing other areas of leave entitlements or combining them with PLP. This means that

none of the employers in the EMPERIA survey who offered paid leave and made changes to this leave, fully reduced or withdrew these entitlements.

**Table 2.10 Types of changes to existing policies/introduction of new policies made by employers who did make changes**

<b>Employers who made specific changes to paid leave</b>	<b>Per cent <sup>a</sup></b>
Introduced a new policy that combines with the PPL scheme	76
Top up the PPL scheme	49
Withdraw existing paid (maternity, paternity or primary carer's) leave policies	30
Increase existing paid (maternity, paternity or primary carer's) leave policies	27
Introduced a new stand alone policy	27
Increase existing paid (maternity, paternity or primary carer's) leave policies by combining with PLP	13
Reduce existing paid (maternity, paternity or primary carer's) leave policies	5
N	21

<sup>a</sup> Multiple response question.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

The EMPERIA survey also asked employers about changes to unpaid leave provisions. Of the employers who offered some form of unpaid leave in addition to the 12 month entitlement under the NES, only 2 per cent made changes to unpaid leave policies following the implementation of PPL (Table 2.11).

**Table 2.11 Proportion of organisations that have changed unpaid leave policies**

<b>Did your business/organisation make any changes to its unpaid maternity, paternity or primary carer's leave policies in response to the introduction of PPL? <sup>a</sup></b>	<b>Employer Size and Sector</b>				<b>All Organisations (per cent)</b>
	<b>Private large (200+ employees) (per cent)</b>	<b>Private medium (20-199 employees) (per cent)</b>	<b>Private small (2-19 employees) (per cent)</b>	<b>Public All sizes (per cent)</b>	
Yes	5	2	0	2	2
No	89	95	98	98	95
Don't know	6	3	2	0	3
Total	100	100	100	100	100
N <sup>b</sup>	52	80	70	31	233

<sup>a</sup> Chi-square test indicates that this is not significantly different across Employer Size and Sector.

<sup>b</sup> 58 per cent of employers indicated that they offer UNPAID maternity, paternity, primary leave in addition to the 12 month entitlement period. This question is therefore asked of that 58 per cent.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

In addition to changes made to formally arranged employer paid<sup>4</sup> or unpaid leave, employers without formal HR policies in place were also asked whether the implementation of PPL led them to make any changes to what happens if an employee is pregnant (Table 2.12). Among employers without formal HR policies, 14 per cent had made changes to the way they manage this, with no significant variation across organisational size or sector.

**Table 2.12 Changes to informal HR policies made by organisations without formal HR policies in place**

In response to the introduction of PPL, has your business/organisation made any changes to the way you manage what happens if an employee is pregnant? <sup>a</sup>	Employer Size and Sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public all sizes (per cent)	
Yes	23	18	12	<sup>c</sup>	14
No	77	79	88	<sup>c</sup>	85
Don't know	0	3	0	<sup>c</sup>	1
Total	100	100	100	<sup>c</sup>	100
N <sup>b</sup>	7	42	70	<sup>c</sup>	120

<sup>a</sup> Chi-square test indicates that this is not significantly different across Employer Size and Sector.

<sup>b</sup> Those who answered “no” in response to question in survey “does your business/organisation have formal HR policies in place.”

<sup>c</sup> Too few cases to provide reliable estimates.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### 2.1.3 Organisational leave policies: 2011-2012

Whether the overall provision of employer-paid leave, particularly employer-paid maternity leave, changed following the introduction of PPL is an important question. A focus on paid maternity leave is appropriate, since nearly all employers who offered paid paternity and/or paid primary carer’s leave also offer paid maternity leave. Did the provision of employer-paid maternity leave in 2012 differ significantly from the provision of employer-paid leave in 2011? Analyses were conducted to control for differences across the sampling frames in 2011 and 2012. They demonstrated that there were no significant differences in the provision of employer-paid maternity leave between 2012 and 2011. Controlling for differences in organisational size and sector, as well as the proportion of female, permanent workers, part-time workers and unionization levels, employers in 2012 were no more or less likely to offer paid maternity leave than employers in 2011. With regard to the changes employers made to existing paid maternity leave provisions in the first and second year of operation of the PPL

<sup>4</sup> Throughout this report, the term ‘employer paid leave’ (or ‘employer paid maternity leave’ or ‘employer paid paternity leave’) is used to refer to leave that is funded by an employer.

scheme, employers were no more likely to make changes to these paid leave provisions in 2012 than in 2011.

It is also possible that the conditions of paid leave have changed between the first and second year of the scheme's operation. However, analyses of the duration of paid maternity leave, remuneration, and the continuation of superannuation payments showed that, among employers who offered paid maternity leave to their permanent or ongoing employees, no significant changes occurred in these leave conditions between 2011 and 2012. While the analyses confirm the differences across organisational size and sector discussed in the Phase 2 report as well as in relation to the second year of operation (see above), no significant changes between 2011 and 2012 were found. Controlling for organisational size and sector, the proportion of female, permanent workers, part-time workers and unionization levels, the duration of paid maternity leave among employers did not change significantly between 2011 and 2012. In addition, employers that offered paid maternity leave in either year were not significantly more or less likely to provide that leave at half rates of pay to double the duration of leave, or to provide superannuation payments during that leave. Too small a proportion of employers offered bonuses or incentives for returning to work to produce reliable analyses comparing 2011 and 2012.

## 2.2 Employer HR Practices

Just as few employers had made changes to their HR *policies*, few employers (12 per cent) made changes to HR *practices* in their organisation as a result of the implementation of PPL (Table 2.13). The changes organisations had made to HR practices did not vary across size or sector. Overall, some 12 per cent of employers made changes to their HR practices as a result of the introduction of PPL.

**Table 2.13 Changes to HR practices resulting from PPL**

As a result of the introduction of PPL have HR practices changed in your business/organisation? <sup>a</sup>	Employer Size and Sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public All sizes (per cent)	
Yes	14	13	9	11	12
No	77	85	88	89	85
Don't have HR practices	2	0	0	0	0
Don't know/refused	6	1	3	0	3
Total	100 <sup>b</sup>	100 <sup>b</sup>	100	100	100
N	75	168	157	41	441

<sup>a</sup> Chi-square test indicates that this is not significantly different across Employer Size.

<sup>b</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

Among the 12 per cent of employers who made changes to HR practices within the organisation (Table 2.14), the types of changes most often made included the introduction of processes to manage PLP requests (76 per cent of those that made changes), improving the provision of information to employees about parental leave (66 per cent), developing processes to plan either return to work or keeping in touch arrangements with employees taking parental leave (58 per cent), attempting to better manage employee expectations in regards to parental leave (57 per cent), re-educating managers to ensure non-discriminatory practices (47 per cent) and reviewing hiring practices to ensure biases do not exist towards women of childbearing age (41 per cent of those that made changes).

**Table 2.14 Types of changes to HR practices made by those organisations that did make some change**

<b>Types of changes made to HR practices</b>	<b>Per cent <sup>a</sup></b>
Introduce processes to manage requests for PPL	76
Improve information provision to employees about parental leave	66
Develop processes for planning return to work arrangements with employees who are going on leave	58
Develop processes for keeping in touch with employees taking parental leave	58
Better manage employee expectations about parental leave	57
Re-educate managers to ensure their behaviours are not discriminatory	47
Check hiring procedures to ensure there is no bias with regard to women who are of child-bearing age	41
Business/organisation did something else	21
N	66

<sup>a</sup> Multiple response question.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### **2.2.1 HR Practices: 2011-2012**

There were no significant differences in the changes employers made to HR practices between 2011 and 2012. Controlling for differences in organisational size and sector, as well as the proportion of female, permanent workers, part-time workers and unionization levels, employers in 2012 were no more or less likely to change their HR practices as a result of the implementation of PPL than employers in 2011.

## **2.3 Managing PLP in the organisation**

Managing PLP in the organisation focuses on employer experiences in sourcing information about PPL, registering and preparing to provide PLP, voluntary participation in the scheme, changes to payroll systems, costs involved in implementing PPL, and employer attitudes towards the scheme.



### 2.3.1 Sourcing information

The EMPERIA survey asked employers how they gathered information about PPL. The largest group (44 per cent) sourced information about the scheme from a government website. Some 32 per cent of employers found information from a Centrelink office, 21 per cent from non-advertising media sources such as the news or radio, and 13 per cent from government advertising. Smaller percentages of employers relied on the business or HR (6 per cent), a work colleague (6 per cent) or some other source, such as Fair Work Australia or an industry group, to provide information about PPL (Table 2.15).

**Table 2.15 Sources of awareness and information about the scheme**

<b>Employers source information from:</b>	<b>Per cent<sup>a</sup></b>
Government website (includes Centrelink website)	44
Centrelink office (including letters from Centrelink)	32
Other non-advertising media (news, radio)	21
Government advertising (brochure, TV)	13
Employer/HR	6
Work colleague	6
Other (See verbatim responses below)	4
Don't know	2
1800 number	1
Union	0
Friends or family	0
Didn't get any information about the PPL scheme	0
N	441

<sup>a</sup> Multiple response question.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Verbatim responses use unweighted data.

Source: EMPERIA

### 2.3.2 Sourcing information on PPL: 2011-2012

To consider whether employers changed the way they sourced information about PPL between 2011 and 2012, it is necessary to combine some informational categories. Consideration was given to the following possible sources of information: employer/work colleague, government website, government advertising, Centrelink office, other non-advertising media. Too few employers sourced information from unions, 1800 numbers, or friends and family to be included in any meaningful analyses here. Two trends are visible from these analyses. First, there were no significant changes in the way employers sourced information from employers/work colleagues and government advertising between 2011 and 2012. Controlling for differences in organisational size and sector, as well as the proportion of female, permanent workers, part-time workers and unionization levels, employers in 2012 were no more or less likely to gather information from these sources than employers in 2011. There has been one area of significant change in the sourcing of information, however. In 2012, employers were nearly twice as likely to rely on Centrelink as an initial source of

information about the PPL scheme than employers in 2011, controlling for differences in organisational size and sector, the proportion of female, permanent workers, part-time workers and unionization levels.

### 2.3.3 Registering for PPL

Employers are generally required to provide PLP to their eligible long-term employees who had a child born or adopted from 1 July 2011. Employers have been able to register and opt in for PPL (using Centrelink Business Online Services) at any time after 1 October 2010, and have been able to provide PLP to eligible employees who had a child born or adopted since 1 January 2011, if they chose to do so and their employee agreed. Attitudinal data from the EMPERIA survey towards the registration process show that three-fourths of employers (75 per cent) agreed or strongly agreed with the statement that it was easy to register for the PPL scheme (Table 2.16). No significant differences can be found across organisational size.

**Table 2.16 Ease of registering for PPL scheme by organisational size**

It was easy to register for the PPL scheme <sup>a</sup>	Employer Size and Sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public all sizes (per cent)	
Strongly agree	19	23	26	28	24
Agree	54	50	51	48	51
Neither agree or disagree	1	1	1	3	1
Disagree	15	10	15	14	13
Strongly disagree	5	9	7	3	7
Don't know	6	7	0	5	4
Total	100	100	100	100	100
N	75	168	157	41	441

<sup>a</sup> Chi-square test indicates that this is not significantly different across employer size.

<sup>b</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### 2.3.4 Employer attitudes towards registering for PPL: 2011-2012

Employer attitudes towards registering for PPL shifted between 2011 and 2012. In 2012, employers were significantly more positive about the ease of registering for the scheme than employers in 2011, controlling for differences across organisational size, sector, the proportion of female, ongoing workers, part-time workers and unionization levels. Indeed, in 2012, employers scored, on average, 0.16 lower on the scale of 1 to 5 (1 indicating they strongly agree it was easy to register). This lower score means employers in 2012 were more likely to agree it was easy to register for PPL. This is an overall trend among employers; no significant differences across organisational size or sector were found.

### 2.3.5 Employer attitudes towards organising and providing payments.

Similar to registering, the majority of employers found it easy to organise PLP (Table 2.17). More than four-fifths of organisations (81 per cent) agreed or strongly agreed with the statement “It was easy to organise payments for the PPL scheme.” Just 17 per cent of all organisations disagreed or strongly disagreed with this statement. There were no significant differences across organisational size or sector. While employers felt organising the payments was easy, some employers did find the organisation of payments to be time consuming. Just over one third (37 per cent) of all organisations agreed or strongly agreed with the statement that “organising payments for PPL has been time-consuming”, while 60 per cent of all organisations agreed or strongly disagreed with the statement. This does not vary across organisational size or sector.

**Table 2.17 Employer attitudes towards organising PPL payments**

Employer attitudes	Employer Size and Sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public all sizes (per cent)	
It was easy to organise payments for the PPL scheme <sup>a</sup>					
Strongly Agree/Agree	86	80	77	89	81
Neither Agree nor Disagree	1	3	2	1	2
Disagree/Strongly Disagree	12	17	21	10	17
Total	100 <sup>b</sup>	100	100	100	100
Organising payments for PPL has been time-consuming <sup>a</sup>					
Strongly Agree/Agree	30	38	40	31	37
Neither Agree nor Disagree	5	4	1	4	3
Disagree/Strongly Disagree	66	59	59	65	60
Total	100 <sup>b</sup>	100 <sup>b</sup>	100	100	100
N	75	168	157	41	441

<sup>a</sup> Chi-square test indicates that this is *not* significantly different across organisational size or sector.

<sup>b</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### 2.3.6 Voluntary administration of PLP

While employers are generally required to provide PLP to their eligible long-term employees who had a child born or adopted from 1 July 2011, it is also possible for employers to

voluntarily administer PLP. Circumstances under which employers may choose to voluntarily administer PLP when they are not required to, include situations where employees had not been with them for 12 months or employees were taking less than eight weeks of PLP. The EMPERIA survey data show that very few employers (4 per cent) chose to voluntarily administer the scheme. However, the 2012-13 PPL Administrative data reflects a higher rate of employers choosing to voluntarily administer the scheme (11.7% of employers providing PLP opted in to pay employees that they were not required to pay).

Looking at the EMPERIA survey data, there were no significant differences in voluntary administration of the scheme across organisational size or sector (Table 2.18). Half (50 per cent) of employers who voluntarily administered PLP did so because an employee had been working for them for less than 12 months.

**Table 2.18 Voluntary administration of PLP by sector and size**

Does Organisation/ Business voluntarily pay	Employer Size and Sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public all sizes (per cent)	
Yes	8	2	3	9	4
No	90	96	96	89	94
Don't know/refused	2	2	1	3	2
Total (per cent)	100	100	100	100 <sup>b</sup>	100
N	75	168	157	41	441

<sup>a</sup> Chi-square test indicates that this is not significantly different across Employer Size.

<sup>b</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### 2.3.7 Voluntary administration: changes from 2011-2012

The combined EIFE and EMPERIA data demonstrated a decrease in the voluntary administration of PPL from 2011 to 2012. The decrease in voluntary administration of the scheme is a general decrease and is not significantly related to variation across employer size, sector, percentage of female permanent employees, part-time employees or unionization levels. This decrease in voluntary administration needs to be considered in relation to two important points, however. First, the percentage of employers that voluntarily administered PPL is very small in both years. The decrease in voluntary administration, while significant, is simply a shift from a small minority of employers to an even smaller minority. Second, and more importantly, in 2011 several employers indicated they voluntarily administered PPL because although they were not yet required to administer the scheme in the months between 1 January and 1 July 2011, their systems were in place and it was just as easy to administer it ahead of the 1 July 2011 mandatory employer start date. While the number of employers

voluntarily administering the scheme is too small to test whether the types of voluntary administration have changed (an employee was working for an employer for less than 12 months, or an employee intended to take less than 8 weeks of PLP), a careful analysis of the verbatim answers supplied in 2011 suggests that voluntary administration not related to the start date of the scheme has remained stable across the two years.

### 2.3.8 Changes to Payroll Systems in 2012

The EMPERIA survey gathered data on employer payroll systems and any changes to these systems following the implementation of PPL. Some 5 per cent of organisations did not rely on formal payroll systems, particularly small, private employers (10 per cent of all small, private organisations have no formal system). Nevertheless, the overwhelming majority of all organisations (95 per cent) had a formal payroll system, were planning to get a formal system or used an external accountant. Among this group of employers who relied on a formal payroll system, external accountant or intended to use a formal payroll system, 36 per cent made changes to their system as a result of the introduction of PPL. There were no significant differences across organisational size or sector.

**Table 2.19 Businesses/Organisations who have made changes to the way books get done**

Has business/organisation made any changes to the way the books get done	All Organisations (per cent)
Yes	32
No	68
Total (per cent)	100
N	19

Source: EMPERIA

Among the 36 per cent of employers who made changes to their payroll systems, the overwhelming majority of changes being made involved updating the organisation's payroll system (95 per cent). Some 22 per cent of those who made changes also stated they had received an update for a commercial payroll system, talked about payroll issues with an external consultant (15 per cent) and engaged in discussions with their existing external payroll company (13 per cent) (Table 2.20). Few employers separately purchased an update for their commercial payroll system (5 per cent), entered into a contract with an external payroll company (4 per cent) or purchased a commercial payroll system (3 per cent of those who made changes).

The EMPERIA survey also collected data about possible changes to payroll practices among employers without a formal payroll system. Similar to organisations that rely on formal payroll systems or external accountants, some 32 per cent of the five per cent of employers who did not have formal payroll systems stated they made changes to the way the books get done in

their organisation following the introduction of PPL (Table 2.19). Again, there were no significant differences across organisational size or sector.

**Table 2.20 Changes made to payroll systems made by those organisations that did make changes**

<b>Did your (business/organisation) do any of the following:</b>	<b>Per cent <sup>a</sup></b>
Update your own payroll system	95
Receive an update for the commercial payroll system used by your (business/organisation) as part of the standard updates provided within the contract with your provider	22
Talk about payroll issues with an external consultant	15
Engage in discussions with your existing external payroll company	13
Separately purchase an update for the commercial payroll system used by your (business/organisation)	5
Purchase a commercial payroll system	3
Enter into a contract with an external payroll company	4
Don't know	0
N	153

<sup>a</sup> Multiple response question.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### **2.3.9 Making payments and payroll changes: 2011 – 2012**

Employers in 2012 were not more likely than employers in 2011 to make changes to their payroll systems. There were significant changes in employer attitudes regarding the organisation of payments for PPL from 2011 to 2012, however. Controlling for employer size, sector, permanency of the female workforce, part-time work levels and unionization levels, employers in 2012 were more likely to agree that organising payments for PPL had been easy. The average score on this scale from 1 to 5, with 1 being 'strongly agree' and 5 being 'strongly disagree' that organising payments for PPL has been easy, decreased by 0.15, which indicates employers are finding it easier to organise payments during the second year of operation. This change in attitude is further confirmed by the significant increase in employers likely to *disagree* that payments had been time consuming.

#### **2.3.10 Costs involved in implementation**

Employers were also asked in the EMPERIA survey about the costs involved in administering PLP. Most employers felt there were minimal costs involved in implementing the scheme. Just over one fourth (26 per cent) of employers stated additional costs were involved in implementing PPL. There were no significant differences across organisational size or sector. While just more than one fourth of employers reported additional costs involved in the implementation of PPL, of those who reported additional costs, an overwhelming majority stated these costs arose from the extra workload taken on by themselves (Table 2.21). Some 85 per cent of employers who reported additional costs stated this entailed extra workload for themselves. A further 58 per cent stated they needed to increase the workload of their current

staff to administer the scheme. Few employers who reported additional costs stated they used an external consultant payroll provider to assist in implementing the scheme (16 per cent).

**Table 2.21 Types of costs involved in the implementation of PPL for those organisations that reported additional costs**

<b>And did your (business/organisation):</b>	<b>Per cent <sup>a</sup></b>
Take on extra workload yourself	85
Increase the workload of your current staff to implement the Government's PPL scheme	58
Employ an external consultant to assist in implementing the Government's PPL scheme	16
Purchase a payroll update	11
Hire new staff to implement the Government's PPL scheme	11
N	114

<sup>a</sup> Multiple response question.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

The EMPERIA survey gathered data on employers' sense of both staff hours and monetary costs involved in implementing PPL. When asked to consider the cost in terms of staff hours, some seven per cent stated no extra staff hours were needed, some 14 per cent responded 1-2 hours, another 16 per cent responded 3-5 hours, and a further 15 per cent stated 6-15 hours were needed to implement PPL (Table 2.22). Some 13 per cent of respondents felt more than 15 staff hours were needed to implement PPL. It was difficult for some employers to assess how many staff hours were needed to implement PPL, however. Just over one-third (35 per cent) of employers stated they did not know how many staff hours were needed to implement the scheme. No significant differences across organisational size or sector were found.

Respondents found it easier to estimate the total monetary cost to the organisation necessary to implement PPL (Table 2.23). Some 16 per cent of all respondents said they did not know how much it cost the organisation in dollars to implement PPL compared to more than one-third (35 per cent) who did not know how many staff hours were needed. However, more than half (54 per cent) of respondents felt that it cost less than \$500 to implement PPL. Just under one-fifth (18 per cent) of respondents reported implementation costs of more than \$1000. No significant differences across organisational size or sector were found.

**Table 2.22 Staff hours needed to implement PPL**

How many staff hours it cost to implement PPL <sup>a</sup>	Employer Size and Sector				All organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public all sizes (per cent)	
0	6	7	7	5	7
1-2	16	13	15	14	14
3-5	14	18	14	18	16
6-15	11	18	14	17	15
>15	19	9	13	19	13
Don't know	34	35	37	27	35
Total	100	100	100	100	100
N	75	168	157	41	441
Mean hours	19.1	10.8	15.1	17.3	15.5
Median hours	5.5	5	5	10	6

<sup>a</sup> Chi-squared test indicated no statistical significance across Employer Size and Sector.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

**Table 2.23 Cost of implementing PPL (in dollars)**

How much it cost to implement PPL <sup>a</sup>	Employer Size and Sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public all sizes (per cent)	
0	12	15	16	15	15
\$1-\$249	26	34	30	22	30
\$250-\$499	10	10	10	8	9
\$500-\$999	10	13	12	12	12
>=\$1000	21	13	20	29	18
Don't know	23	16	13	14	16
Total	100 <sup>b</sup>	100 <sup>b</sup>	100 <sup>b</sup>	100	100
N	75	168	157	41	441
Mean cost	\$1259	\$578	\$1930	\$1853	\$1286
Median cost	\$300	\$250	\$300	\$550	\$325

<sup>a</sup> Chi-squared test indicated no statistical significance across Employer Size and Sector.

<sup>b</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

Data from employer interviews confirm the survey results. They showed that employers generally felt costs were minimal or negligible. Any time costs were mostly experienced upfront.

Look, once it was set up, which just maybe took a few hours to set up, to establish our accounts and everything with Centrelink. It probably took a couple of hours to set up



but, after that, look, to put this payment in for a fortnight for someone, it takes me 10 seconds. [Employer # 10001982 large, public sector employer, port management]

Time-wise I don't think it took that long at all. Really I don't think there would have been a cost to it. [Employer # 10001934 large, private sector employer, private hospital]

Well initially there's a bit setting it up and organising Auskey and things like that to be able to have full access but once that was set up it hasn't really taken that much time. I'd say it might take five minutes for each time I get something so not much at all. [Employer # 10002099 large, private sector employer, legal services]

I suppose the cost would be the initial setup of getting everything in, and once that's done - look maybe that was an hour, an hour and half, that's it. But when you do wages and you're doing a group of wages, one other person is nothing. [Employer # 10001004 small, private sector employer, construction]

However a couple of businesses complained of the costs in terms of the time needed to implement PLP.

So that just - it just took time as well getting that organised, set up and everything - going online to look at the Centrelink letters and all that sort of stuff. It just takes time out of the day. We're - I think we're technically a medium sized business. But my husband is the director and myself is the, I guess - the minister for war and finance he calls me. But I think my official role is manager...It's just time. I can be fee earning, rather than...doing that sort of nonsense, yes. [Employer # 10001216 medium, private sector employer, real estate]

One business felt that the costs in terms of time and money were greater than expected.

Oh, as far as time, it is, yes. I think to me it would be, I think, faster for Centrelink just to send them a cheque, as they would a pensioner or something. I don't understand why it has to come to us for us to do it, to put it in our systems for them - then we on-pay it to the staff member. We're not talking about a lot of money either, because \$122 a week, tax out that's about \$100 or something. So we're getting charged for the transfer of the funds, the actual bank transfers et cetera, and we're having to print everything out, so we're also, it's costing us paper. They're manning out the - because we have to also prepare a payslip, so some of them are on e-mail so that's fine, but most of them are on paper so we have to post it, so that's another 60 cents there. [Employer # 10001458 medium, private sector employer, architect]

Overall though, most employers who discussed the costs of implementing PLP felt they were as expected, or less than expected.

I think it's probably on par with what I expected. It's not a major cost to the organization. [Employer # 10001510 medium, private sector employer, education]

The costs were seen by this employer to be:

Less than I expected definitely, you wouldn't have to add an additional person to a department or give any work off to anybody else or anything like that. It's something that one person could do and that's cost effective extremely. [Employer # 10001757 large, private sector employer, umbilical cord storage]

### **2.3.11 Costs involved in implementation: 2011-2012**

There has been a significant decrease in the perceived costs involved in implementing PPL in terms of staff hours between 2011 and 2012. In comparison to employers who reported costs needed to implement PPL in terms of staff hours in 2011, employers were twice as likely to report no staff hours needed to implement PPL in 2012. This change across time is not related to differences in employer size, sector, percentage of female permanent employees, percentage of part-time workers or unionization levels. While there is no overall significant change in relation to the perceived dollar amount needed to implement PPL, employers with higher percentages of female, permanent employees were less likely to report having no dollar costs associated with implementing PPL in 2012 than employers with less than forty per cent of female, permanent employees in 2011.

## **2.4 Employers' experiences in implementing PLP and providing payments**

The EMPERIA survey also gathered information about general employer attitudes towards implementing the PPL scheme in the organisation. More than four fifths (81 per cent) of all organisations agreed or strongly agreed with the statement that the PPL scheme has been easy to implement in the organisation (Table 2.24). Employers were also asked whether they agreed with the statement that it was better for their organisation if an employee took BB rather than PLP. Just more than one third of employers responded in a neutral manner, with 35 per cent of all organisations neither agreeing nor disagreeing with the statement. Some 31 per cent of employers agreed that it is better for the business if employees take BB rather than PPL, with a similar proportion of businesses disagreeing with the statement (34 per cent). There were no significant differences in employer attitudes towards PPL across organisational size or sector.

**Table 2.24 Employer attitudes towards PPL**

	Employer Size and Sector				All Organisations (per cent)
	Private large 200+ employees (per cent)	Private medium 20-199 employees (per cent)	Private small 2-19 employees (per cent)	Public all size (per cent)	
<b>Extent agree/disagree that PPL scheme has been easy to implement in the business<sup>a</sup></b>					
Strongly Agree/Agree	83	80	80	89	81
Neither agree nor disagree	2	1	2	4	2
Disagree/Strongly Disagree	15	19	18	7	17
Total	100	100	100	100	100
N <sup>c</sup>	74	167	155	41	438
<b>Extent agree/disagree that it is better for business/organisation if employees take BB rather than PPL<sup>a</sup></b>					
Strongly Agree/Agree	23	27	41	20	31
Neither agree nor disagree	35	37	29	46	35
Disagree/Strongly Disagree	42	36	29	34	34
Total	100	100	100	100	100
N <sup>d</sup>	66	142	137	37	382

<sup>a</sup> Chi-square test indicates that this is not statistically different across Employer Size-Sector.

<sup>b</sup> Does not equal 100 per cent due to rounding.

<sup>c</sup> Three employers said “don’t know” to this question.

<sup>d</sup> 54 employers said “don’t know” and 1 refused to answer this question.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

The qualitative data confirm that overall, employers did not experience significant difficulties in implementing PPL. More than half of employers interviewed stated they found it relatively easy, simple, or straightforward to administer PPL. The following comment reflects this common view among employers.

It hasn't been any difficulty at all, really, because the employee liaises with Centrelink. Centrelink then advise us, and then I just complete what they require. Then it just happens, I guess. It's pretty seamless. [Employer # 10002188 large, public sector employer, water services]

Of the employers who gave positive feedback on administering PLP, a small number (3) acknowledged an initial learning curve on implementing it.

The implementation of the first one which was about six months ago was a little bit clunky setting it up. Once it was set up it was fine. [Employer # 10002295 large, not-for-profit employer, outdoor education]

So both the admin of it - everything seemed pretty straight forward. There were a couple of glitches early on just in terms of knowing at what point to get in and physically take the linking of their application in the company - but once you knew what you were doing, it's actually really straight forward. [Employer # 10001129 small, private sector employer, character suits and sports mascots]

So in the beginning there was a little bit of confusion about what, how, who, when and why. I don't know if other businesses that don't actually have access to an industry group or - might have had more difficulty putting it in place than perhaps we did. But I certainly haven't found it difficult at all. [Employer # 10001265 medium, private sector employer, health service provider]

While the majority of employers were positive about their experiences in administering PPL, a few (3) small, private sector businesses found it difficult or burdensome to set up and administer PLP.

It was just a real headache to set up. I feel that it was actually a really negative thing for both our business and on the life of that young girl that took advantage of it. [Employer # 10001216 small, private sector employer, real estate]

To me, there's an under-appreciation of how a small business operates, and the time and expertise that small businesses have in administering those sorts of schemes. I think the intention was good; that it was something that business could access online, but the execution wasn't great; the idea of having to download software and to update software all the time, and to have passwords, and very complicated passwords, too, ready to rattle off at any time, that was all just too hard. [Employer # 10001003 medium, private sector employer, fast food takeaway]

It's putting this burden on a business. Now, you know, a big business, they just have to set up a system, I suppose, and it's all automatically done by pressing a button. But you know, we're a small business, so there's learning about it, which we all have to do anyway, but it would have been so much easier if they had just said, look, this is like a social security payment that we're paying to the recipient. .. Of course, small business, we have a person who actually does - who has the job to do as a travel agent, but also has the job to do of all the administration; pays, and superannuation payments, and the profit and loss, et cetera, paying all the bills. There's an administration person, which is the same person. [Employer # 10001214 small, private sector employer, travel agent]

However, not all small businesses found it difficult to implement PLP, and some businesses felt their smaller size was advantageous because they felt they had fewer payments to manage, as this quote demonstrates.

Well the scheme itself was implemented very well. Bearing in mind that we are only small so it's quite easy to deal with somebody one-to-one. I'm sure with a larger organisation you have to put in formal protocols. [Employer 10001388 small, private sector employer, accounting]

Despite the general acceptance that PPL was not considered a burden to implement by most employers, there were some (8) employers who felt it should be the government's responsibility to administer the payments to employees. The reasons for this included the opinion that it is a government welfare payment, or that it created unnecessary paperwork or

double handling of information for the employer. For example, this employer wondered why PPL is paid via the employer, while DaPP is being paid directly by Centrelink.

I don't really fully understand why, when it's a government benefit, why it should go through the employer. .. But I just don't get the fact that it comes through the employer. I really don't get it, especially when they've recognised that, yes, we're going to give something to the fathers, but we're paying that one direct. [Employer # 10001214 small, private sector employer, travel agency]

It's basically a social security's payment, whatever. It's a Government payment. It's got nothing to do with my employment of these people and yet I'm required to administer it. I'm required to receive money from the Government which I have to put into a separate area. It pollutes my payroll accounts and then I have to ensure it's kept separate. [Employer #10001537 large, public sector employer, property investment]

I don't understand why it can't be administered through Centrelink. If the individual has to be setup with Centrelink anyway, why can't Centrelink pay it rather than - it just creates a whole bunch of extra work to make us - to hold an account. [Employer # 1001216 small, private sector employer, real estate]

Yeah, of course it's beneficial, because I know that it's difficult when you become a new parent, but the one thing I don't see is the need for, is for us to have to pay it. When Centrelink pay it to us, then we've got to pay it to - it's like it's gone through two hands and why can't it just go direct to the employee? So I find that a little bit confusing. [Employer # 10002338 large, private sector employer, construction]

In relation to employers' experiences in providing PLP, more than half of employers commented that payments from Centrelink were timely or on time.

Centrelink seem to be quite good with timing of the payments and the accuracy of the payments and everything. I haven't had any hassles at all. [Employer #10001982 large, public sector employer, port management]

The qualitative data highlighted issues related to making PPL payments, experienced by employers during 2012. First, employers perceived the two step process of having to read an email to tell them to login to the Centrelink website to get information on their employee as inefficient. Three employers suggested they would prefer to have one email sent from Centrelink with all the relevant information.

The only criticism I'd have of it would be, it would be good if the letters that are sent, the advices that are sent, and the confirmations and what not, could be emailed directly instead of having to go into their mailbox, which is a little clunky sort of thing... It would be a lot easier if they just sent you the letter...I guess it does give you a record of what's been sent and that but they could send them to both - would be ideal. [Employer # 10001982 large, public sector employer, port management]

It's a letter but what happens is they send you an email and they don't send you an email and attach the letter. They send you an email to tell you to go onto their website and then go and access all your correspondence... It is time consuming to each time have to get out all the information to access this account and then go clunking through a number of screens... Because typically also this is not a service you use on a daily basis so you find eventually the right screen you're supposed to be in and everything else. Then you access the letter. Then you print the letter out and then you leave the screen. [Employer # 10001537 large, public sector employer, property investment]

It was difficult to have to reconcile a bank statement with an email saying - you've got a letter. Then you have to go in through - you get an email and then you have to go in, print the letter and reconcile that with the bank statement. With the amount of transactions we have it's ridiculous to find that. It just meant I had to do reconciliation every fortnight instead of every month - I usually pay someone else to do it. [Employer # 10001216 small, private sector employer, real estate]

A second issue was related to the synchronization of Centrelink payments and employers' pay cycles. The following employer explained this problem in detail.

So they go through this whole thing and had to set out pay dates and we told them and then pay on the off week it's like well sometimes that means the employee has to wait until the next fortnight to get some money...Yes of course it's all back paid and whatever but still.. Even now when it comes in they know what the pay cycles are but the money's usually there the following...But it doesn't synchronize with our pay cycle... I mean we just work around it but pretty much we say to our employees you do not get your money from us until we have received it from the government. You have to be aware that instead of just expecting your PPL to start here if you need money you might have to put in that you want to be on annual leave or long service leave until it happens...Just not synchronized I don't think. It's not that they're not on time. [Employer #10001924 very large, public sector employer, local government]

Lastly, while not necessarily perceived to be problematic, some employers were a bit confused about possible tax or superannuation implications associated with reconciling their payroll, particularly at the end of the financial year.

So I guess the other thing that I find a little bit difficult would be the fact that this is now included in our payroll, but we're being reimbursed for it, so therefore it's going to show up on our payroll accounts. I've got to deduct that amount before processing payroll tax so the balance - there is still a balancing act that I have to go through, because it is actually appearing on our payroll accounts, but not considered to be payroll. [Employer #10001510 medium, private sector employer, education]

The only issue I had is managing the payments and making sure they're just paid on time and in the correct financial year. Like as I said there was an overlap. If the employee had gone in the last financial year as in June or May and we started receiving payments for that employee there would be other payments coming in the next financial year as well. The payments – it doesn't relate to the last financial year it was for the next one as well. So we had to spread the payments and so we had to keep a track of what's happening. [Employer # 10001612 medium, private sector employer, relationship advisers]

It's just remembering what's taxable, what's not, what's superable, what's not. [Employer # 10001924 very large, public sector employer, local government]

It was just more about getting the superannuation clarification, how to treat it for tax and things like that. [Employer # 10002063 large, not-for-profit sector, education provider]

In general, however, employer experiences as discussed in the interviews reflected a positive view of PPL. Well over half of respondents (26 out of 40) who discussed their overall view of PPL felt it was a positive scheme for employees that enable mothers to have time with their baby and provided necessary monetary support while mothers are on leave, particularly for

'the mothers that are low end earners' [Employer # 10001041, very large, private sector employer, telecommunications] . Some employers were highly supportive of the scheme, and felt a government scheme was needed, especially because some employers may not have the resources to provide paid parental leave.

I think it's been great. It's been something that the Government has needed to do for a long time. That there are - you know like us there are probably many businesses who would like to have been able to avail - you know give to their staff the opportunity to have paid leave. But it's just not financially viable for many businesses. So I think that this has been really a wonderful thing to bring in, and really it's about time too. [Employer # 10001265 medium, private sector employer, health service provider]

Look, I definitely feel that it's beneficial. You know, it gives - it's hard enough to pretty much have a baby and a family without having to have the burden of financial strain as well. So I definitely feel that the government paid parental leave definitely helps the mothers to be able to spend more time with their children. [Employer # 10002297 medium, private sector employer, orthopedic implants]

Employer # 10002362, a public sector local council employer in a regional (non-metropolitan) area felt the way that the PLP was paid in fortnightly instalments instead of a lump sum, helped families to manage their budgets better.

Most families these days are two income households and to - and you want to be able to really enjoy having your baby, so if there's something that can take a little bit of that pressure off financially so that you can actually enjoy it, I think that's great and I think paying it on a fortnightly basis to help with the fortnightly household costs is much better than giving them that lump sum...You know, that was around at one stage, that what did they call it, the plasma TV bonus or something was it?...Yeah, I think getting it on the fortnightly basis so that it actually does get spent on helping to run your household is much better than people getting that big amount that just gets blown. [Employer # 10002362 very large, public sector employer, local council]

Some employers felt that the government could be even more generous in terms of time and/or money given to employees while on parental leave.

I just think that it could be better, more based on people's incomes to allow people to actually take leave and spend some time at home... and I do think that it could be at least half a year as well. [Employer # 10002099 large, private sector employer, legal services]

For the amount that they pay, yes, if they're going to keep it to that amount, it should be at least 25 weeks I would have thought...Because 18 weeks just flies. [Employer # 10001458 medium, private sector employer, architect]

It would be great if the first 12 months were Paid Parental Leave. So that at the - even at the minimum wage, there was just money coming in for the first year of a child's life. Eighteen weeks is not very long, when you are starting a family. It's gone in the blink of an eye really. [Employer # 10001503 very large, private sector employer, consumer goods retail]

### **2.4.1 Employers' experiences in providing PLP: 2011-2012**

The views above reflect employer experiences in providing PLP during the second year of the scheme's operation. But has there been a change in these experiences between 2011 and 2012? A combined analysis of EMPERIA and EIPE data demonstrate there has been a significant change in employer attitudes towards implementing PPL between 2011 and 2012. An analysis of the scale corresponding to employers' responses that the PPL scheme has been easy to implement in the organisation, where 1 is strongly agree and 5 is strongly disagree, showed an overall decline in this number. The lower the average score on this scale, the more employers felt that it was easy to implement PPL. The analyses across the two samples demonstrated that there was a significant decline in the average score by 0.21, meaning employers in 2012 were more likely to agree it had been easy to implement PPL. This was a general trend among all employers and was not related to employer size, sector, the percentage of female permanent employees, percentage of part-time workers or unionization levels. There was no significant change in whether employers agreed or disagreed that it is better for the organisation if an employee takes BB instead of PLP.

### **2.4.2 Mothers' experiences in negotiating leave and leave taking with employers**

Qualitative interviews with mothers gave another perspective on how employers dealt with requests for leave and leave taking. Of the 100 mothers interviewed, 82 were employees and the remainder were self-employed. In this section of the report, we report on the experiences of employed mothers in negotiating leave arrangements. These interviews provide broadly indicative (rather than definitive) data regarding the patterns of women's experiences across and within employment sectors and by employment contact type.

In general, the vast majority of mothers did not have difficulty negotiating leave during their pregnancy, or taking leave around the time of the birth and for a subsequent period of time. Importantly, however, their experiences vary widely by sector and employment type.

Women working in the public sector were unlikely to experience any problems in relation to negotiating the timing of their leave, the timing of their return to work, or the conditions of their return to work such as part-time or full time hours. Of the 19 interviewees who were public sector employees, none reported problems in negotiating leave with their employers. Rather, they generally reported routinized and unproblematic mechanisms for making arrangements around pregnancy and leave. One respondent summed up the situation in relation to leave in the following way:

It's very clear what people are and aren't entitled to...it's really good. So I can't say there were any issues at all. [Mother\_2\_08, permanent, public/government sector]

Another public sector employee described the advantages of flexi-time and other public sector workplace characteristics which supported her during her pregnancy:



Interviewee: I was going to the physio in the morning, arriving a little bit late in the morning, but I returned the hours at lunchtime. No problem at all.

Facilitator: So that was fine. They were happy for you to make some adjustments in your work whilst you were pregnant?

Interviewee: Yeah. In fact for example, I was having problems with my back. They ordered me a new chair. They take all the health and security issues really well.  
[Mother\_3\_02\_fixed term contract, public sector]

Women's experiences in the private sector were also generally positive, although somewhat more variable and particularly influenced by type of employment contract. Of the 26 interviewees who were on permanent or fixed term contracts in the private sector, the vast majority (22 of 26) reported straightforward, positive responses from their employers and unproblematic negotiations about leave taking. For employees in some private sector organisations, negotiations were as straightforward as they were in the public sector:

Our employer is very good with women in the workplace having children and then returning in terms of part time, suiting the hours, days that they need... There's a lot of policies and procedures in place so that it all flows, everyone knows what's happening.  
[Mother\_2\_11, permanent, private sector]

[Negotiating time off]...was all very by the book, because it's a big company and they've done it a thousand times before. You just have to apply 10 weeks before you want to leave. [Mother\_1\_08, permanent, large retail, private sector]

The majority of women in this group also reported positive responses and accommodation from their employers during their pregnancy: these included being put on 'light duties' and being given 'reduced deadlines' in an otherwise highly stressful workplace. All women in this group indicated they were able to take time off for health related reasons during their pregnancy, for example:

My boss is actually very, very helpful and very understanding. He was great. If I have to leave slightly early for - to go to my OB appointment, he's fine. Never demanded me to take official leave, because I always make up at - the hours anyway, he trusts me a fair bit with that. [Mother\_2\_20, permanent, private sector]

In relation to negotiating end of leave arrangements, all women who planned to return to work gave their employers an anticipated timeframe for doing so. Even though a number of women chose to return to work either earlier or later than originally anticipated, they reported straightforward negotiations and transitions back to work.

We get offered one year unpaid leave, which you can extend for another year if you choose to. Then you can come back part time. I think with them, at your manager's discretion. So it's up to you to negotiate. My manager's pretty good in that respect. So I signed - a letter - before you go on maternity leave stating what your plans are. ...I ended up coming back four months early [Mother\_1\_17, permanent, private sector].

Oh I really didn't take much time off at all with [Baby]. With permanent part-time I've got flexible hours so it was my choice to go back and say if I was only wanting to work five hours I could work five hours a day or only work three days. It was my choice, on my terms if I come back how many hours and how many days as much as I could.  
[Mother\_5\_11, permanent part-time, private sector]

None of the interviewees reported problems with variations to the timing of return to work. However, several women reported difficulties in working the kind of hours they wanted following their return to work, and fewer still were able to negotiate to work from home once they returned to work (n=2 of this group).

Amongst the 26 private sector employees with permanent or fixed term contracts, five reported some problems. One of the women, a project manager on a fixed term contract, reported amicable negotiations with her employer but was forced to resign rather than take maternity leave as such. When she was ready to return to work, she had to re-apply for her position, and succeeded. In two other cases, women on permanent contracts were made redundant while on maternity leave, in both cases because the companies they worked for had either 'folded' or moved offshore. Two women reported difficulties with their employer while pregnant: in one case, the woman was moved, by the HR personnel, to another section while pregnant to resolve the issue. In the other case, the woman has returned to work for the same employer despite reported difficulties in her pregnancy and not being able to work her preferred hours as 'they say it's against business requirements' [Mother\_5\_03, permanent, private sector].

Although only 7 women interviewed worked as casuals in the private sector, their experiences differ markedly from women who were permanent employees or on contracts. Of the 7 women, only one has returned to the same job she had prior to giving birth. Of the remainder, 2 were made redundant while pregnant. One of these women worked as a casual in a bar, and reports her employer's response to her pregnancy as:

They weren't very impressed actually. Apparently, it's a bad look to work in a bar and be pregnant. Anyway, so like I said they made me stop working. [Mother\_2\_18, casual, private sector]

The other woman was made redundant in her accounts job because of financial problems in the firm. In this case, and the case of a woman who lost her casual job when on maternity leave, the companies changed hands and jobs were no longer available. In a fourth case of losing a job, the mother reported

Because I was a casual before [Baby], they didn't make any fuss about it - they knew I was pregnant and they knew that I was going to leave in around September. So they had a replacement already. [after the birth] I did ask [about returning to] my previous [job] but they don't have this opportunity anymore. They have only permanent part-time or they don't have the casual option. Yes, so decided not to go back as - for now, I'm not going back, no. [Mother\_5\_08, casual, private sector]

A further two women seemed to simply choose not to return to their former jobs; one because of the distance of her former workplace from home, something she could not manage with a baby, and the other because of the unpleasant nature of the work and some of her co-workers.

The only one of the seven women who were casual employees who returned to her employer did so through the rather unconventional strategy of simply making herself 'unavailable' for an extended period of time when her baby was born.

### **2.4.3 Mothers' perspectives on difficulties for employers**

Some of the difficulties in the setting up and implementation of PLP noted by employers were also mentioned by mothers during the interviews. Only a small number of women (5) made particular note of the difficulties for their employers, but their cases demonstrate issues of relevance to both employers and employees. Those women working in small businesses were particularly aware of the administrative burden involved in setting up a system (3 mentioned it):

I think perhaps it could have been maybe a little bit less of a burden on my employer. I know that I felt quite bad about the amount of paperwork that she had to do and all the reading that she had to do, which seem like it was more than I had to do. It probably wasn't, but at the time I remember speaking to her and it being the first time that she'd ever had to deal with anything like that and it being – her not being a specific sort of accounts person, she was the assistant manager who used to always also do accounts.

In a small business like that, when you don't have someone who's skilled with accounts, I found that it was a bit of a burden on her to make sure that she had it all right. Because if she didn't then I wasn't going to get paid and that was difficult. I couldn't really understand why they wouldn't just pay it directly to me, rather than it being double handled – going to them and then them having to pass it on.

Then I guess it kept them in the, in that they were still paying me and I was still on their payroll as opposed to just disappearing off the system. But that was really the only cause of concern and the only issue I had with the process. Otherwise from my end of things it's fine. [Mother\_1\_03 permanent, private sector]

My employer, they had - because I was the first paid parental leave, they had a bit of a problem, but it just took them time to set up the - to pay - for them to - for the government to give them money.. So, my payments were actually delayed, because of that. They did tell me this, look, we're really sorry. We're just trying to set this up and because it was over Christmas again, people were away and it's only a small business, so we'll try and do it as quickly as we can.

[Baby] was born in October and I didn't get the paid parental leave until the second week of January.... So, for them, for a small business, it was probably not necessarily hard, but just took more time to set up, initially. So, it will be alright for future people. [Mother\_2\_03, contract, private sector]

In one case, a permanent employee in a very small company chose to take the financially less beneficial option of the Baby Bonus in part to spare her employer the task of administering PLP, and in part because she knew she did not wish to return to employment for some years.

I chose baby bonus in the end, because the paid parental leave would have made us I think - it would have been \$30 better off but it would have been a lot of extra paperwork for my boss when I knew I wanted to be a stay at home mother, so I didn't

want to ask her to go and do all of that for the sake of \$30. [Mother\_3\_01 permanent, small private sector business]

Women in large organisations, one public and one private, recounted different difficulties either for, or with, their employers. The public sector employee detailed a problem also referred to by some employers:

Interviewee: The only small hiccup that we had was that I went through the application process and then there is a process whereby the employer is notified that they've been allocated the funds. The employer wasn't getting, or didn't receive the email. They had to go online. I think it was, I don't know, a month and a half. I thought it probably should have come through by now, so I rang Centrelink and they said yes, we're just waiting for your employer to say yes we're ready to pay. So I rang up my employer and they were like we haven't received any notification, I'll go online to check and they went online to check. There was whatever they needed and then it happened very seamlessly after that. So it probably could have been paid earlier to me by the employer if I'd called earlier, or they had checked online. But yeah, it may not have been as easy. It wasn't that it was easy for the employer, but I think that maybe if there'd been a notification via another way rather than them having to proactively check the site to say yes it's coming.

Facilitator: Not make it their responsibility?

Interviewee: Yeah, if they'd actually been notified. A push notification, rather than them checking. [Mother\_5\_12 permanent, public sector].

One mother working in a large private sector company simply recounted difficulties locating a person within the organisation who could be nominated as the contact person for the purposes of her PLP claim.

I wish you didn't have to go through our employer. My pay officer's difficult to deal with because you have to provide details of your pay office to - it's part of the paperwork you fill out. Even just getting that information, having a contact person was - oh, was such a pain. I found that even pinning down someone to say who's responsible for it, and no one's responsible for it. Or ring pay office [State] or ring national pay office, or we don't seem to know. Maternity specialist is not in today. Could you ring tomorrow? Like that frustrated me. [Mother\_1\_17 contract, private sector]

## 2.5 Keeping in Touch Provisions

The PPL scheme offers Keeping in Touch (KIT) provisions to facilitate employees' return to work and to maintain attachment to the workplace. There are a variety of uses for KIT days, such as employee participation in a conference, planning day, workshop, a training day, or on-the-job training. Employees can take up to 10 KIT days before the end of their PPL period without losing their PLP entitlements. However, the use of KIT provisions must be agreed upon by both the employee and the employer. When taking a KIT day, employees are paid by their employer at their normal rate of pay. The use of KIT provisions discussed here refers to formal KIT days as provided for by the PPL legislation.

### **2.5.1 Awareness of and use of KIT provisions**

The EMPERIA survey data showed that awareness of the KIT provisions differed significantly across organisations based on size and sector. While just less than half (48 per cent) of all employers were aware of the KIT provisions, awareness was significantly higher among public sector organisations and large, private sector organisations. Small, private organisations were least likely to be aware of the KIT provisions (Table 2.25).

**Table 2.25 Employer awareness of KIT provisions**

Whether aware of KIT provisions <sup>a</sup>	Employer Size and sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public All size (per cent)	
Yes	61	46	41	60	48
No	39	53	59	40	51
Don't know	0	1	0	0	0
Total	100	100	100	100	100 <sup>b</sup>
N	75	168	157	41	441

<sup>a</sup> Chi-square test indicates that this is significantly different across Employer Size at P<0.05.

<sup>b</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

In addition to the awareness of KIT provisions, the EMPERIA survey gathered information on employers' intent to use KIT provisions. Intended use of the KIT provisions was high among employers aware of the KIT provisions, more than three-fourths (80 per cent) intended to use them (Table 2.26). The intent to use KIT provisions did not vary across organisational size or sector.

**Table 2.26 Employer intent to use KIT provisions among organisations aware of KIT provisions**

Whether business/ organisation plans to use KIT provisions <sup>a</sup>	Employer size and sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public All size (per cent)	
Yes	78	78	90	70	80
No	11	11	8	26	12
Don't know	11	11	3	4	8
Total	100	100	100 <sup>c</sup>	100	100
N <sup>b</sup>	46	78	65	25	214

<sup>a</sup> Chi-square test indicates that this is not significantly different across employer size or sector.

<sup>b</sup> Weighted number of employers who had heard of KIT provisions.

<sup>c</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

## 2.5.2 Employee use of KIT provisions

The EMPERIA survey also asked organisations whether their employees had made use of KIT provisions. Among organisations who were aware of the KIT provisions, just over half (55 per cent) of employers reported that employees in their organisation had used the KIT provisions (Table 2.27). No significant differences across organisational size or sector were found.

In addition, less than two fifths (17 per cent) of employers reported that their employees intended to use the KIT provisions, and no significant differences existed across organisational size or sector.

**Table 2.27 Employee use of KIT provisions among organisations aware of KIT provisions**

Whether employees in business/organisation had used KIT provisions <sup>a</sup>	Employer size and sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public All size (per cent)	
Yes	48	56	62	45	55
No	37	38	36	51	39
Don't know	15	6	3	4	7
Total	100	100	100 <sup>c</sup>	100	100 <sup>c</sup>
N <sup>b</sup>	46	78	65	25	214

<sup>a</sup> Chi-square test indicates that this is not significantly different across Employer Size.

<sup>b</sup> Weighted number of employers who had heard of KIT provisions.

<sup>c</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

### 2.5.3 Awareness of and use of KIT provisions: 2011-2012

There has been no significant change in the awareness or use of KIT provisions among employers between 2011 and 2012. There has also been no significant change in the intended use of KIT provisions between 2011 and 2012, either in the intended use by businesses or in the intended use by employees.

### 2.5.4 Employer experience with KIT provisions

Among employers who had made use of the KIT provisions, the EMPERIA survey obtained data about the perceived benefits of KIT usage (Table 2.28). These data indicate that three fourths (75 per cent) of all organisations that had used the KIT provisions felt that this use had benefitted the organisation in some way. The perceived benefits of the use of KIT provisions were similar across organisations, regardless of organisational size or sector.

Of the employers who felt that the KIT provisions had been beneficial, several examples were provided to explain in what ways the KIT provisions had benefitted the organisation.

Responses varied, but included themes such as being able to keep employees informed of what was going on in the organisation, improving communication, improving the return to work of employees, either by knowing when they will return or by keeping them up to date to ease return to work, and by boosting employee morale, reminding employees on leave about their connection to the workplace. Or as one employer stated, "They kept in touch! It did exactly what it was meant to do."

**Table 2.28 Perceived benefits of KIT provisions to the organisation**

Do you think the use of Keeping in Touch provisions has benefited your business/organisation <sup>a</sup>	Employer size and sector				All Organisations (per cent)
	Private large (200+ employees) (per cent)	Private medium (20-199 employees) (per cent)	Private small (2-19 employees) (per cent)	Public All size (per cent)	
Yes	79	77	71	72	75
No	14	20	25	9	20
Don't know	7	3	4	19	6
Total	100	100	100	100	100
N <sup>b</sup>	22	43	40	11	117

<sup>a</sup> Chi-square test indicates that this is not significantly different across employer size or sector.

<sup>b</sup> Weighted number of employers who had heard of KIT provisions.

<sup>c</sup> Does not equal 100 per cent due to rounding.

Note: Data weighted to the population of employers currently providing PLP to at least one employee in July and/or August 2012.

Source: EMPERIA

## 2.5.5 Employer experience with KIT provisions: 2011-2012

The data from the EIPe and EMPERIA surveys demonstrate an increase in the perceived benefits of KIT provisions among employers between 2011 and 2012. Employers who were aware of KIT and used the KIT provisions, were more likely to agree the use of KIT provisions were beneficial in 2012 than employers who were aware of KIT and had used the KIT provisions in 2011. This is a general trend amongst all employers who were aware of and had used the KIT provisions and is not related to organisational size, sector, the percentage of female, permanent employees, the percentage of part-time workers or unionization levels.

## 2.6 Conclusion

This chapter has examined employer response to the PPL scheme. It has used survey data from 441 employers and interview data from 40 employers who were providing PLP to at least one employee in July and/or August 2012 to describe employer organisational policies and leave provisions, how employers managed PLP within the organisation, how employers managed PLP with employees, and the awareness and use of KIT provisions in the second year of operation of PPL. Employer response to the PPL scheme was assessed in relation to a range of relevant employment policies and practices, and employer attitudes and experiences associated with implementing and administering PPL, including the costs associated with this. The chapter provides an assessment of employers' experiences of providing PLP and mothers' experiences in negotiating leave with their employer. It has also provided a comparison of the employer response to the scheme in 2011 to 2012. The main findings are the following:

- **HR Policies and Practices:** Overall, the results in Phase 3 indicate that employers have maintained their own paid parental leave arrangements following the



implementation of PPL. Most employers have not found it necessary to make any changes to their policies and practices in response to the introduction of PPL. Most employers (88 per cent) in the 2012 survey did not change their HR practices as a result of the introduction of PPL. There was no change between 2011 and 2012 in the proportion of surveyed employers that offered their own paid maternity schemes. Amongst employers who had their own paid parental leave schemes and made changes to them in the 2012 survey, at most 5 per cent said they had reduced or removed some parental leave entitlements for their employees since the commencement of the PPL scheme. However, none had removed paid parental leave entirely. Amongst employers with their own paid parental leave schemes in the 2012 survey, 7 per cent of employers changed them to provide additional money to top up PLP to their employee's normal wage.

- **Sourcing information about PPL:** The information and communication processes and campaigns designed to provide employers with information about PPL are working well, and employers are becoming more reliant on government for initial information about the scheme. Employers generally experienced few difficulties in registering for PPL and providing PLP to their employees, and they have become more likely since employers surveyed in 2011 to say the process is easy. Employers were almost twice as likely to rely on Centrelink as a source for initial information about the PPL scheme in 2012 compared to 2011.
- **Attitudes towards PPL:** Employer attitudes towards registering for PPL and organising payments are primarily positive. Three quarters of employers in the 2012 survey said it was easy to register for the PPL scheme. Just over 80 per cent of employers in the 2012 survey said that organising payments was easy. Employers in the 2012 survey were more likely than those in the 2011 survey to say that registering for PPL and organising payments was easy. This pattern was consistent across employers, irrespective of employer size or sector.
- **Mothers' experiences negotiating leave with employers:** Overall, mothers who are permanent employees or on fixed term contracts in the public or private sectors reported relatively straightforward patterns of negotiation with their employers in relation to leave taking. Women in the public sector reported the most favourable conditions for arranging leave, and employer support through pregnancy. Many women in the private sector also reported positive experiences, especially in large companies where processes for maternity leave taking have become routinized, and in some small companies. A small minority of women on permanent or fixed term contracts experienced difficulties with their employers, either in relation to leave taking or hours or conditions of return to work. Women who were casual employees in the private sector generally had negative experiences with their employers in relation to all

aspects of their employment during pregnancy and their experience of parental leave; almost all women in this group were either not able to return to their employer (4 of 7), or chose not to (2 of 7). Some mothers also discussed being aware of the difficulties their employers had in administering PLP to them.

- **Employer costs of implementing PPL:** The costs to employers of implementing PPL were generally very minimal, both in terms of time and money. Indeed, there was a decline in the amount of time employers reported they needed to implement PPL between 2011 and 2012. Nevertheless, some employers reported they found it time consuming to provide payments to their employees. Most employers in the 2012 survey reported low financial costs in implementing PPL, with only 18 per cent reporting costs of \$1,000 or more, and 54 per cent reporting costs of less than \$500. A very small group of employers reported very high costs. Similarly, employers generally reported using minimal staff hours to implement PPL. Only 13 per cent of employers in 2012 said that their staff devoted more than 15 hours to implementation. However, some 37 per cent of employers in the 2012 survey said it was time consuming to organise making the payments to their employees, and the in-depth interviews with employers revealed that a few small, private sector businesses found it difficult to implement and administer PPL.
- **Awareness and use of Keeping in Touch provisions:** Just under half of employers in the 2012 survey were aware of the Keeping in Touch (KIT) provisions. Awareness of KIT was significantly higher amongst large employers than small ones, though about 40 per cent of large employers were not aware of KIT provisions. Intended use among those employers aware of KIT provisions was high, and most of those that had used them felt that the KIT provisions had been beneficial. However, there was no significant change between 2011 and 2012 in employers' awareness or intention to use the KIT provisions.

### **3 Intermediate outcomes – Mother’s PLP uptake, leave from employers and time out of the workforce**

The Australian Government’s Paid Parental Leave (PPL) scheme was designed to provide financial support to working parents to take time off work when they have a baby or adopt a child. New parents are eligible for payments under the scheme if they meet a work test and residency, income and primary carer requirements (see Section 1.1 of this report). While the scheme does not provide a right to leave, the National Employment Standards (NES) give a right to 12 months of unpaid parental leave to most parents who have been employed for at least 12 months by their current employer at the time of a birth. PLP may be taken when an employee is on unpaid or paid leave from their job, or when a new parent has ceased employment (provided the eligibility requirements are met). However, PLP may not be taken by parents who receive Baby Bonus (BB). Parents eligible for both payments therefore choose between BB and PLP.

This chapter considers several key outcomes of the PPL scheme. It focuses on mothers’ behaviour and experiences, since virtually all PLP recipients are mothers. It first examines mothers’ awareness of PPL, and the choices they make between PLP and BB. These patterns form the backdrop for the time mothers take away from paid work following the birth.

The time that eligible mothers take off work following a birth is intimately connected to the leave they take from their jobs. The chapter examines leave taking patterns in detail, beginning with leave taking before the birth. It assesses both mothers’ and fathers’ leave eligibility and leave uptake and whether they appear to have changed since the introduction of the PPL scheme, examines differences in leave eligibility and uptake between mothers who chose PLP and BB, considers how mothers combine leave with PLP and presents a preliminary analysis of changes following the introduction of the PPL scheme in the timing of mothers’ return to work.

The main data source used in this chapter is a large survey of PPL eligible mothers who had access to PLP. This post-PPL survey, the Family and Work Cohort Survey (FaWCS), collected information from PPL-eligible mothers who gave birth in October or November 2011, and were therefore eligible for PLP (for more information about this survey, see Section 1.4 of this report). Where appropriate, results from this survey are compared with an equivalent (pre-PPL) survey of mothers who gave birth in October and November 2010, and would have been eligible for PLP had it existed at the time. More comprehensive results from this survey, the Baseline Mothers Survey (BaMS) can be found in the report of Phase 1 of the evaluation (Martin et al. 2012).

## **3.1 Short-term Outcomes – families making choices**

Most PPL eligible mothers are able to choose between PLP and BB. Phase 2 of the evaluation estimated that about 17 per cent of PPL eligible mothers have been choosing BB (Martin et al. 2013). Although recent policy changes to BB mean that BB is becoming less financially attractive to most families, it is useful to understand the factors that have been associated with choosing BB over PPL. This section of the report first considers awareness of PPL amongst eligible mothers, and then examines the factors that are associated with choosing BB over PLP.

### **3.1.1 Potential applicants' awareness of PPL**

Starting from July 2010, the Australian Government embarked on an awareness raising communication campaign and ongoing business as usual communications targeted at making working mothers and families aware of the PPL scheme. Data collected in Phase 2 of this evaluation indicated that only a very small number and proportion of mothers were not aware of the availability of the PPL scheme (Martin et al. 2013). The majority of the communication campaign ran from October 2010 to June 2011. Mothers participating in the FaWCS study were asked about their awareness of the scheme, and results indicate that almost all PPL eligible mothers were aware of the PPL scheme. Of the 700 BB mothers who participated in the first wave of the FaWCS survey, only 6 per cent had not heard about the PPL scheme; thus the overwhelming majority of mothers in the study were aware that the PPL scheme existed. Further analysis indicates that compared to mothers who knew about the scheme, those not aware were more likely to be having their first baby, were more likely to come from an Aboriginal or Torres Strait Islander background, or to speak a language other than English.

### **3.1.2 Making choices**

Prior to the introduction of PPL, financial support from the Australian Government for eligible families around the birth of children comprised a BB payment of \$5,000. After the introduction of the PPL scheme, the BB payment continued to be available for all eligible mothers, and the majority of working mothers were eligible for both payments.<sup>5</sup> However, PLP and BB cannot both be paid for the same child, so most working mothers are able to choose which payment they will claim. Not all mothers who are eligible for PLP will choose to take it and may decide to opt to receive BB instead. In the Phase 2 evaluation report, mothers' reasons for choosing PLP or BB were examined in detail (Martin et al 2013, pp. 52-57). Data collected for Phase 3 of the evaluation offers the opportunity to assess the factors that were associated with PPL eligible mothers choosing PLP or BB. The results in Table 3.1 indicate that the social,

---

<sup>5</sup> Since the data reported here were collected, there have been significant changes to BB, including a reduction of the payment from \$5,000 to \$3,000 for second and subsequent children born or adopted from 1 July 2013, reflecting the lower upfront costs that families experience for those children. From 1 March 2014 BB will be abolished and replaced with an additional loading for families eligible for Family Tax Benefit, of \$2,000 for first children and \$1,000 for second and subsequent children. Phase 3 of the evaluation assesses mothers' experiences before these changes.

demographic and work characteristics of PPL eligible mothers who chose BB are quite different from those of mothers who chose PPL.

**Table 3.1: Demographic and employment characteristics of PPL eligible mothers who took Baby Bonus and Parental Leave Pay.**

	<b>PLP (per cent)</b>	<b>BB (per cent)</b>	<b>Total (per cent)</b>
<b>Marital status at birth **</b>			
Married	75.6	62.8	73.5
Cohabiting	20.6	25.9	21.5
Living apart together	1.1	2.3	1.3
Not in a relationship	2.7	9.0	3.8
Total	100.0	100.0	100.0
<b>First birth **</b>			
No, other children in house	42.3	63.8	45.9
Yes	57.7	36.2	54.1
Total	100.0	100.0	100.0
<b>Employer size and sector **</b>			
Public	27.6	23.2	26.9
Private-100+	42.4	33.1	40.9
Private-20_99	12.7	10.9	12.4
Private-<20	17.2	32.9	19.8
Total	100.0	100.0	100.0
<b>Contract type **</b>			
Permanent/ongoing	80.2	56.3	76.2
Fixed term	6.2	6.5	6.3
Casual	8.6	21.6	10.8
Self Employed	4.4	14.2	6.0
Other/don't know	0.5	1.4	0.7
Total	100.0	100.0	100.0
<b>Occupation **</b>			
Professional/Managerial	45.7	33.7	43.7
Other white collar	49.6	56.7	50.8
Blue collar	4.7	9.6	5.5
Total	100.0	100.0	100.0
<b>Gross weekly wages **</b>			
\$2,995 or more	0.7	1.3	0.8
\$2,000-\$2,994	4.1	2.0	3.7
\$1,500-\$1,999	12.5	6.1	11.5
\$1,000-\$1,499	26.5	13.2	24.3
\$700-\$999	24.8	23.4	24.5
\$500-\$699	16.0	18.5	16.4
\$300-\$499	7.8	20.5	9.9
\$100-\$299	3.0	8.5	3.9
\$1-\$99	0.3	1.2	0.4
\$0 or negative income (loss)	0.1	0.7	0.2
Missing/refused	4.3	4.5	4.3
Total	100.0	100.0	100.0
<b>Left job before birth **</b>			
Yes	10.0	25.5	12.5
No	90.0	74.5	87.5
Total	100.0	100.0	100.0
Age	31.67	31.02	31.56
Work hours	34.90	30.32	34.15
N	3493	691	4154

Source: FaWCS wave 1

\*p<.05; \*\*p<.01

To further investigate these differences between mothers choosing BB over PLP, a multivariate (logistic regression) analysis was conducted to identify the independent association of the selected demographic and employment characteristics with the choice PPL eligible mothers made. The results, presented in Table 3.2, show that, independent of other factors in the analysis:

- Mothers who were legally married were more likely than those in any other marital status to have chosen PLP.
- Single mothers were particularly likely to have chosen BB compared to legally married mothers.
- Having a first birth was associated with a decreased likelihood that a mother would choose BB.
- Older mothers were somewhat more likely to choose PLP compared to younger mothers.
- Mothers who had been working in larger private sector firms prior to the birth were more likely than those who had worked in the public sector to have chosen PLP over BB.
- Mothers who had been self-employed or on casual contracts were more likely to have taken BB.
- Mothers in blue collar occupations were more likely to choose BB, compared to professional/managerial workers.
- Mothers' choice was also associated with their pre-birth income. Though the picture was not straightforward, overall it appeared that lower middle incomes (\$100-299 gross per week) were associated with an increased likelihood of choosing BB, while women with higher middle incomes (\$700-999 gross per week) had an increased tendency to choose PLP.
- Mothers who worked longer hours before the birth had some tendency to be more likely to choose BB.
- Mothers who had left their jobs before the birth of their baby were more likely to have chosen BB.

**Table 3.2: Logistic regression of taking Baby Bonus rather than Parental Leave Pay by selected demographic and employment characteristics of mothers**

	Took Baby Bonus (reference PPL)	
	Logistic regression coefficient	Standard error
Marital status at birth		
Married (ref)		-
Cohabiting	0.380***	0.111
Living apart together	0.722*	0.336
Not in a relationship	1.171***	0.196
First birth (1=yes)	-0.965***	0.110
Age (centred)	-0.036***	0.010
Employer size and sector		
Public (ref)	-	
Private-100+	-0.279*	0.124
Private-20_99	-0.141	0.165
Private-<20	0.190	0.147
Contract type		
Permanent/ongoing (ref)	-	
Fixed term	0.178	0.190
Casual	0.491***	0.136
Self Employed	1.092***	0.179
Other/dont know	0.342	0.450
Occupation **		
Professional/Managerial (ref)		
Other white collar	0.112	0.109
Blue collar	0.569**	0.185
Gross weekly wages		
\$2,995 or more		
\$2,000-\$2,994	0.749	0.440
\$1,500-\$1,999	-0.393	0.318
\$1,000-\$1,499	-0.309	0.200
\$700-\$999	-0.428**	0.150
\$500-\$699 (ref)		
\$300-\$499	-0.050	0.143
\$100-\$299	0.565***	0.164
\$1-\$99	0.394	0.228
\$0 or negative income (loss)	0.973	0.538
Missing/refused	0.751	0.710
Gross weekly wages	0.032	0.234
Work hours (centred at mean)	0.005	0.005
Work hours (centred and squared)	0.001***	0.000
Left job (1 = yes)	0.920***	0.121
Constant	-1.778***	0.149
N		4,154

Source: FaWCS wave 1

\*p<.05; \*\*p<.01, \*\*\*P<.005



Together, these results indicate that many factors influenced PPL eligible mothers' decisions about whether to take BB or PLP. It is notable that mothers' characteristics usually associated with disadvantage were associated with a decreased likelihood of choosing PLP. Thus single motherhood, being employed casually, having a lower income and having a blue collar job were all associated with mothers being more likely to have chosen BB. Changes to BB (see footnote 5, page 59) will shift the relative advantages and disadvantages of choosing BB for many PPL eligible mothers. Overall, they will make BB choice less financially attractive for many PPL eligible mothers. It will be for future research to assess the effect of these changes on mothers' choices.

## **3.2 Mothers' leave taking**

The PPL scheme offers eligible new parents who are primary carers access to 18 weeks PLP at the minimum wage while they take leave from paid work to care for their new babies. The scheme does not directly guarantee that parents will be eligible for leave from their employers at the time that they take PLP. The forms of leave for which mothers are eligible and whether mothers use this leave are therefore vital to the operation of the scheme, since most mothers who are ongoing employees use these leave entitlements to take PLP. (The self-employed, most casual employees do not usually have a leave entitlement.) PLP may be incorporated into leave in various ways. Mothers who intend to return to their employer need to combine PLP with paid or unpaid leave that is provided by their employers. Many new parents have a statutory right to 12 months unpaid parental leave, and they may take PLP while using this leave. Mothers may also resign from their jobs around the time of a birth and remain eligible for PLP, even though they are not on leave from a job.

This section of the report begins by considering leave available and taken before a birth. It moves on to leave eligibility and leave taking after the birth, and how leave taking is integrated with PLP.

### **3.2.1 Mothers' leave taking before a birth**

While mothers cease paid work at varying times before they give birth, FaWCS data indicate that 96 per cent of mothers stopped working prior to the birth of their baby. PLP is available only after mothers have given birth, therefore mothers must either use employer provided paid leave, take unpaid leave or resign from employment if they are to cease paid work before their baby is born. Overall, 87 per cent of PPL eligible mothers in the FaWCS survey perceived they had access to leave (paid or unpaid) from their jobs before the birth. Some 84 per cent of these mothers said that they *actually took* some leave before the birth, meaning that 73 per cent of all PPL eligible mothers took leave before the birth. Relying on mothers' perceptions of access to statutory unpaid leave undoubtedly underestimate the proportion of mothers who were eligible for such leave. Survey questions about mothers' employment situation prior to the birth of their baby enabled the identification of those who were likely to be eligible for

unpaid leave. On the basis of mothers' responses to these questions, 96 per cent of FaWCS mothers should have had access to statutory unpaid leave from their employer. However, only about 73 per cent of mothers perceived that they had access to this leave. (This issue was also identified in the report of Phase 1 of the evaluation, where some mothers' perceptions of their leave entitlements appeared not to match their actual leave entitlements, see Martin et al 2012, pp. 18.)

Table 3.3 shows the proportion of PPL eligible mothers who said they had access to various forms of leave from their employer and who took leave from their employer prior to the birth of their baby. Most commonly, mothers took paid holiday/annual leave, or employer paid parental leave, with 34 per cent and 30 per cent of PPL eligible mothers respectively taking these forms of leave. A few took other forms of paid leave (paid sick leave, paid long service leave, or some other form of paid leave). Unpaid leave was also taken commonly, with 22 per cent of mothers taking statutory unpaid leave. Some mothers took more than one kind of leave, with 8 per cent taking both employer paid parental leave and annual/holiday leave, 8 per cent taking both annual/holiday leave and unpaid statutory parental leave, and 7 per cent taking both employer paid parental leave and unpaid statutory parental leave.

**Table 3.3 Proportion of PPL eligible mothers who had access to a range of different types of leave, and their uptake rates**

Leave Type	Access to leave type before birth (per cent)	Took leave type before birth (per cent)
Employer paid parental leave	49.8	30.4
Paid holiday or annual leave	69.0	34.2
Paid long service leave	17.5	2.4
Paid sick leave	43.0	7.0
Other paid leave	4.1	0.6
Statutory unpaid leave	75.2	21.7
Other leave without pay	25.2	1.2
N	3,501	3,501

Source: FaWCS, wave 1

As implied above, 13 per cent of PPL eligible mothers believed that they were not entitled to any form of leave before the birth. Resignation around the time of the birth was much more common amongst this group than amongst mothers with access to some pre-birth leave, with just over one quarter (26 per cent) of these mothers resigning, compared to 5 per cent of other mothers. Nevertheless, many mothers who said they were not entitled to leave before the birth did take leave following the birth (51 per cent said that they did so). This suggests that they either had leave available after the birth, or that they made some ad hoc arrangements with their employer.

### 3.2.2 Mothers' access to leave following birth

The baseline report for this evaluation found that mothers' patterns of leave taking around the time of a birth are complex, with many mothers having access to, and taking, several types of leave. The PPL scheme requires that mothers are not working until the end of their PPL period. It is therefore important to assess whether the introduction of the scheme has been associated with any changes in mothers' access to leave, or patterns of leave taking. Since the PPL scheme was not designed to replace employer-provided leave, it is particularly important to assess whether there have been any changes in access to this leave or in its use by mothers.

Examining the proportion of mothers in BaMS and FaWCS who said they had access to different types of leave from their employer before the birth provides an initial picture of the patterns. First, there is no evidence that mothers' perceptions of access to paid or unpaid parental/maternity leave changed following the introduction of PPL (Table 3.4). Some 47 per cent of mothers said they had access to paid maternity leave before the commencement of PPL, compared to 48 per cent afterwards. Similarly, 72 per cent of mothers in the pre-PPL survey indicated they had access to unpaid parental/maternity leave before PPL, compared to 73 per cent after it.

However, the proportion of mothers who reported that they had access to all other types of leave declined significantly. The largest decline was in the proportion of mothers who believed they had access to paid sick leave, which fell from 45 per cent before PPL to 37 per cent after PPL was introduced. Of a similar order, the proportion of mothers who said they had access to paid long service leave declined from 21 per cent to 15 per cent. The declines in perceptions of leave eligibility for other types of leave were smaller, but still significant. Moreover, the proportion of mothers who believed they had no access to leave in the job they held before the birth rose from 14 per cent to 17 per cent. These changes may reflect real changes in mothers' access to these forms of leave. On the other hand, they may be a consequence of changes in mothers' awareness of their leave entitlements, possibly as a consequence of changes in the salience of these leave types. It is not possible to be certain which of these possibilities explains the patterns in Table 3.4. However, it is notable that the largest declines in perceptions of access to leave are for forms of paid leave that are least likely to be readily accessible to assist mothers wishing to take time off work after a birth (paid sick leave and paid long service leave). It is possible that the advent of PPL has made these types of leave significantly less salient to new mothers, resulting in a decline in the proportion who say they are eligible for them.

**Table 3.4 Proportions of PPL eligible mothers with access to leave by type of leave prior to (BaMS 2010) and following (FaWCS 2012) the introduction of PPL.**

Leave type	PPL eligible mothers BaMS (2010) (per cent)	PPL eligible mothers FaWCS (2012) (per cent)
Paid maternity or parental leave	47.0	47.5
Unpaid maternity or parental leave	71.9	73.4
Other leave without pay**	33.2	29.5
Paid holiday or annual leave*	65.2	62.4
Paid long service leave**	20.8	14.9
Paid sick leave**	44.6	36.5
Other paid leave**	5.3	3.2
Unable to access any leave**	14.0	16.9
N	2,587	4,201

\*chi-square tests indicate that differences between BaMS and FaWCS are significant at  $p < .05$ ,  
 \*\* chi-square tests indicate that differences between BaMS and FaWCS are significant at  $p < .01$ .

Data Sources: BaMS and FaWCS, wave 2

### 3.2.3 Mothers leave uptake following birth

Mothers leave taking at the time of a birth is complex, as noted above. Key issues are whether mothers take multiple types of leave, how likely they are to take different types of leave, and how much of each type they take. It is likely that the advent of PPL will affect these patterns, since it is necessary for mothers to not be working in order to take PLP.

In general, the introduction of PLP was not associated with any significant change in the number of different types of leave mothers took around the time of a birth. About 19 per cent of mothers both before and after the introduction of PPL took no formal leave from their jobs, around a fifth took only one type of leave, a quarter took two kinds of leave, and the remainder took three or more types of leave (Table 3.5).

**Table 3.5** Number of leave types that PPL eligible mothers took before (BaMS 2010) and after (FaWCS 2012) the introduction of PPL

Number of types of leave	BaMS (2010) (per cent)	FaWCS (2012) (per cent)
0	18.7	19.3
1	22.0	19.2
2	25.9	27.6
3	23.1	23.1
4	8.7	8.7
5+	1.8	2.0
N	2,587	4,201

Source: BaMS and FaWCS, wave 2

The commencement of PPL was associated with a small change in the likelihood that mothers would have taken unpaid maternity or parental leave (Table 3.6). About 63 per cent of PPL eligible mothers took this unpaid leave following the introduction of PPL, compared to 60 per cent before PPL commenced. Aside from this change, there were no large and significant changes in mothers' propensity to take any form of leave following the commencement of PPL. As noted above (section 3.2.2), following the introduction of PPL, mothers *reported* less access to paid leave other than maternity/parental leave, and less access to 'other' unpaid leave. However, there were no large and significant differences in the proportion of mothers who said they *actually took* these forms of leave. This is consistent with the possibility that the change in perceived access to these forms of leave reflects awareness resulting from the salience of the forms of leave, rather than an actual change in the availability of these forms of leave to mothers.

Overall, the introduction of PPL was associated with virtually no change in the average number of months of leave taken by mothers who took leave of various kinds, amongst those eligible for some leave (Table 3.6). The only changes were a small decline of about 1.5 weeks (0.4 of a month) in the average length of 'other' unpaid leave, and a small increase of less than a week in the amount of long service leave, taken by mothers who took each of these types of leave. It is particularly notable that the average length of paid and unpaid maternity/parental leave taken by mothers who took these forms of leave did not change.

**Table 3.6 Uptake and average months of leave taken by mothers following birth, (BaMS 2010) and after (FaWCS 2012) the introduction of PPL**

Leave Type		BaMS (2010)	FaWCS (2012)
Paid maternity or parental leave	Proportion taking <sup>a</sup> (per cent)	45.9	46.1
	Mean months <sup>b</sup>	3.71	3.69
Unpaid maternity or parental leave	Proportion taking** (per cent)	59.9	63.4
	Mean months	5.80	5.57
Other leave without pay	Proportion taking (per cent)	7.8	7.7
	Mean months**	1.03	0.62
Paid holiday or annual leave	Proportion taking (per cent)	48.1	49.7
	Mean months	0.86	0.84
Paid long service leave	Proportion taking (per cent)	7.7	7.2
	Mean months*	0.85	1.06
Paid sick leave	Proportion taking* (per cent)	15.7	13.1
	Mean months	0.17	0.14
Other paid leave	Proportion taking (per cent)	1.6	1.6
	Mean months	0.83	0.69
Total leave	Proportion taking** (per cent)	94.4	97.2
	Mean months	8.14	7.93
N <sup>c</sup>		2,587	4,201

<sup>a</sup> Proportion of all mothers with access to some leave who took leave type.

<sup>b</sup> Mean months of leave taken by mothers with eligibility for each type of leave (including as 0 those who had eligibility, but took no leave).

<sup>c</sup> See note on data source below.

Source: BaMS total sample was used to calculate per cent, but means only calculated for the main BaMS sample due to coding error of “still on leave” measures and FaWCS, wave 2.

\*chi-square tests (categorical measures) and f-tests (continuous measures) indicate that differences between BaMS and FaWCS are significant at  $p < .05$ ,

\*\* chi-square tests (categorical measures) and f-tests (continuous measures) indicate that differences between BaMS and FaWCS are significant at  $p < .01$ .

### 3.2.4 Comparing the leave taking of BB and PPL mothers

In order to receive PLP, mothers must not be working before the end of their PPL period.

Alternatively, mothers may take BB, and continue working. It is therefore important to understand, first, whether lack of leave eligibility was associated with mothers' choice about whether to take the PLP or BB. Secondly, the question arises of whether mothers who chose BB over PLP had different patterns of leave taking compared to PLP mothers.

In general, PPL eligible mothers who took BB rather than PLP were less likely to perceive that they were eligible for virtually all kinds of paid and unpaid leave than those who chose to take PLP (Table 3.7). Particularly notable are the differences in perceptions of access to paid and unpaid parental/maternity leave, where 29 per cent and 51 per cent respectively of mothers who chose BB saw themselves as eligible, compared to 50 per cent and 75 per cent of mothers who chose PLP. Moreover, some 30 per cent of mothers who chose BB believed that they had no eligibility for leave from their jobs, compared to 13 per cent of mothers who chose PLP. Overall, these results are highly consistent with the idea that lack of leave eligibility was associated with mothers being more likely to choose BB.

**Table 3.7 Proportions of PLP and BB recipients with access to leave from their employer**

Leave type	PLP mothers (per cent)	BB Mothers (PPL eligible) (per cent)
Paid maternity or parental leave**	49.8	29.4
Unpaid maternity or parental leave**	75.2	51.4
Other leave without pay	25.3	22.6
Paid holiday or annual leave**	69.0	42.6
Paid long service leave**	17.5	10.9
Paid sick leave**	43.0	29.0
Other paid leave	4.1	3.6
Unable to access any leave**	12.6	30.3
N	3,501	700

Source: FaWCS, wave 1

\*\* chi-square tests (categorical measures) and f-tests (continuous measures) indicate that differences between PLP and BB mothers are significant at  $p < .01$ .

Mothers, who were eligible for PLP, but chose BB, used fewer types of leave than those who chose PLP (Table 3.8). In particular, they were more likely to take no formal leave (about 40 per cent of BB mothers took no leave, compared to 16 per cent of PLP mothers) or to use only one type of leave (26 per cent compared to 18 per cent). These patterns are consistent with the fact that BB mothers were more likely to resign from their jobs, and more likely to say that they had no access to leave.

**Table 3.8** Number of types of leave taken by BB and PLP mothers

Number of types of leave **	PLP Mothers (per cent)	BB Mothers (PPL eligible) (per cent)
0	15.5	39.9
1	18.1	25.6
2	29.5	17.2
3	25.5	10.5
4	9.3	5.4
5+	2.1	1.3
Mean **	1.16	1.93
N	3,501	700

Source: BaMS and FaWCS, wave 2

\*\* chi-square tests (categorical measure) and f-tests (continuous measure) indicate that differences between PLP and BB mothers are significant at  $p < .01$ .

Table 3.9 shows the proportion of PLP and BB mothers who took each type of leave, and the average number of months of each leave taken by those with eligibility. Consistent with the lower eligibility of BB mothers for leave, a small proportion of BB mothers took each of the most common leave types, compared to PLP mothers. Thus, PLP mothers were twice as likely as BB mothers to have taken paid maternity/parental leave, and much more likely to take unpaid maternity/parental leave, paid holiday or annual leave and paid sick leave. The only forms of leave in which there were no differences between BB and PLP mothers were those taken by less than 10 per cent of mothers ('other' leave without pay, paid long service leave, and 'other' paid leave). However, amongst mothers who were eligible for each type of leave, there were few differences in the mean length of leave mothers took. The main variation was that PLP mothers took an average of just over one month (four weeks) more unpaid maternity or parental leave than BB mothers. BB mothers also took a small amount more 'other' leave without pay than PLP mothers (about 3 days), if they were eligible for this leave. However, there were no significant differences in the length of any form of paid leave taken by PLP mothers compared to BB mothers. With regard to the total leave mothers took, PLP mothers took longer leave overall than BB mothers, probably because they were taking unpaid leave at the same time as PLP.



**Table 3.9 Uptake and average months of leave taken by mothers following birth, PLP and BB mothers**

Leave Type	Proportion/Mean	PLP mothers	BB mothers (PPL eligible)
Paid maternity or parental leave	Proportion taking <sup>a**</sup> (per cent)	50.1	24.3
	Mean months <sup>b</sup>	3.72	3.43
Unpaid maternity or parental leave	Proportion taking <sup>**</sup> (per cent)	67.5	41.4
	Mean months <sup>**</sup>	5.70	4.62
Other leave without pay	Proportion taking (per cent)	7.6	8.5
	Mean months <sup>*</sup>	0.56	0.97
Paid holiday or annual leave	Proportion taking <sup>**</sup> (per cent)	53.6	29.0
	Mean months	0.84	0.87
Paid long service leave	Proportion taking (per cent)	7.4	5.8
	Mean months	1.03	1.35
Paid sick leave	Proportion taking <sup>**</sup> (per cent)	13.9	9.1
	Mean months	0.14	0.18
Other paid leave	Proportion taking (per cent)	1.6	1.6
	Mean months	0.64	1.07
Total leave	Proportion taking (per cent)	94.7	97.6
	Mean months <sup>**</sup>	8.18	6.28

<sup>a</sup> Proportion of all mothers with access to some leave who took leave type.

<sup>b</sup> Mean months of leave taken by mothers with eligibility for each type of leave (including as 0 those who had eligibility, but took no leave).

Source: FaWCS, wave 2

\*chi-square tests (categorical measures) and f-tests (continuous measures) indicate that differences between PLP and BB mothers are significant at  $p < .05$ ,

\*\* chi-square tests (categorical measures) and f-tests (continuous measures) indicate that differences between PLP and BB mothers are significant at  $p < .01$ .

### 3.3 Combining PLP with leave from employer

Mothers' leave eligibility and leave taking are closely related to their ability to use PLP. This section of the report considers how mothers have combined leave with taking PLP.

#### 3.3.1 The length of PLP

Eligible parents are entitled to up to 18 weeks of PLP. The FaWCS survey found that 97 per cent of mothers took the full 18 weeks of PLP. The small group of mothers who did not take

the full 18 weeks of PLP took an average of just over 13 weeks, with 81 per cent of these mothers taking 12 weeks or more of PLP.

### **3.3.2 PLP and maternity leave eligibility**

In FaWCS, almost all mothers (98 per cent) who took PLP either appeared to meet the criteria for statutory unpaid maternity leave (worked for the same employer for 12 months or more with the presumption of ongoing employment after the birth of their baby) or said that they were entitled to some employer provided maternity leave (paid or unpaid). With regard to statutory unpaid leave entitlement, 4 per cent of mothers in the FaWCS survey appeared to be ineligible for statutory unpaid leave. This compares closely with the proportion of mothers in the evaluation's pre-PPL sample (BaMS), where, using a slightly different measure, it was found that about 5 per cent of mothers who would have been eligible for PLP did not have a statutory right to unpaid leave.

Amongst the 4 per cent of mothers in FaWCS who took PLP, but appeared to have no statutory maternity leave right or eligibility, nearly half (47 per cent) resigned from their jobs when their baby was born. About one quarter (23 per cent) said that they took leave from their jobs, presumably under an ad hoc arrangement with their employer. Some 5 per cent of the mothers without statutory leave rights or eligibility said that they were dismissed or made redundant at the time of the birth, while most of the remainder said that they 'did something else'.

### **3.3.1 PLP and employer paid maternity or parental leave**

The PPL scheme allows eligible parents to take their PLP before, after or at the same time as any employer paid maternity or parental leave to which they are entitled. How mothers combine PLP with employer paid leave is an important aspect of the outcome of the scheme, since it is likely to be associated with how much time they take away from work. Overall, the FaWCS survey found that 48 per cent of mothers who were eligible for PLP also said they had access to employer paid maternity or parental leave (Table 3.4).

Well over half of mothers who took PLP and had access to employer paid leave chose to use up their employer paid leave before taking PLP (62 per cent of PLP mothers with employer leave, see Table 3.10). Almost one third of mothers with employer paid leave took all of their PLP at the same time as their employer paid leave (31 per cent of PLP mothers with employer paid leave). A small group of mothers took PLP before their employer paid leave (5 per cent of PLP mothers with employer paid leave). Only about 1 per cent of mothers with employer paid leave spread their PLP across both periods when they were and were not taking employer paid leave.

**Table 3.10 Proportion of mothers who took PLP and whether they took PLP before, at the same time, or after employer paid leave.**

	All mothers (per cent)	Mothers who took PLP (per cent)
Took Baby Bonus	16.7	
Took PLP	83.7	
Took all PLP before employer paid leave		4.9
Took all PLP at same time as employer paid leave		31.2
Took all PLP after employer paid leave		62.4
Other		1.6
N	4,201	1,691 <sup>a</sup>

Source: FaWCS, wave 1;

<sup>a</sup>Excludes 50 cases with missing responses.

### 3.4 Fathers' leave taking

Whether there have been any changes in father's access to and uptake of leave since the introduction of PPL is also an important question as it illuminates changes in leave and leave taking at the household level in response to the introduction of the legislation. In BaMS and FaWCS, mothers were asked whether their partner had access to and took any leave around the birth of their baby. The results presented in Table 3.11 indicate that, according to mothers' reports, fathers' access to employer paid leave remained relatively stable after the introduction of PPL. There is some suggestion that fathers in the FaWCS sample had lower levels of access to unpaid leave (both unpaid parental leave and other leave without pay). There is also some evidence that fathers in the FaWCS sample had lower levels of access to non-parental paid leave, including paid holiday, long service, sick and "other" paid leave. Overall, the results indicate that fewer fathers in FaWCS had access to employer paid or unpaid leave around the birth of their baby, according to mothers' reports.

**Table 3.11 Proportions of partners of PPL eligible mothers with access to leave by type of leave prior to (BaMS 2010) and following (FaWCS 2012) the introduction of PPL.**

Leave type	Partners of PPL eligible mothers BaMS (2010) (per cent)	Partners of PPL eligible mothers FaWCS (2012) (per cent)
Paid paternity or parental leave	33.5	34.5
Unpaid paternity or parental leave*	30.8	27.8
Other leave without pay**	26.2	22.7
Paid holiday or annual leave**	67.2	60.8
Paid long service leave**	18.2	11.9
Paid sick leave**	43.2	34.8
Other paid leave**	6.4	6.9
Unable to access any leave**	14.1	16.7
N	2,295	3,323

Source: BaMS and FaWCS wave 2, only includes mothers who report having a partner who was employed at the birth of their baby.

\*chi-square indicate that differences between BaMS and FaWCS are significant at  $p < .05$ ,

\*\* chi-square tests indicate that differences between BaMS and FaWCS are significant at  $p < .01$ .

In Table 3.12 the types and average duration of each type of leave taken by partners are presented. Just under 30 per cent of fathers took some employer paid parental or paternity leave around the birth of their baby and this was similar for fathers pre-PPL (BaMS). There is some suggestion that fathers took significantly less time in employer paid leave after the introduction of PPL, reducing from 0.41 months to 0.36 months, which equates to approximately 2 days less. There were no significant differences in the proportion who took unpaid paternity or parental leave or the amount of time taken. While the proportion of men who took “other” leave without pay was similar for both studies, the amount of time taken was significantly longer in FaWCS than BaMS (about 2 days). A significantly lower proportion of fathers took paid holiday leave in FaWCS than BaMS. However, those who took holiday leave took more time on average (about 1 day) in FaWCS than in BaMS. Only a very small proportion of fathers took long service leave and this was similar in both studies, but fathers who took long service leave took significantly less time on average in FaWCS than BaMS. There were no significant differences in the proportion of fathers who took sick leave, but in FaWCS fathers who took sick leave took significantly longer time. A small proportion of fathers took other paid leave in the first year of their baby’s life. However, the average amount of time taken was less in FaWCS than in BaMS. Overall, around three quarters of fathers took some leave in the first year of their babies’ life according to mothers’ reports (76 per cent

BaMS and 74 per cent FaWCS). In total there is some evidence that fathers took longer time off in FaWCS (0.70 months) than in BaMS (0.54 months), about 3 days in total.

**Table 3.12** Types and duration of leave taken by mothers' partners in the first year after birth

Leave Type	Proportion/Mean	PPL eligible mothers BaMS (2010)	PPL eligible mothers FaWCS (2012)
Paid paternity or parental leave	Proportion taking (per cent) <sup>a</sup>	29.7	29.6
	Mean months <sup>b**</sup>	0.41	0.36
Unpaid paternity or parental leave	Proportion taking (per cent)	14.9	13.1
	Mean months	0.23	0.21
Other leave without pay	Proportion taking (per cent)	9.5	9.1
	Mean months <sup>**</sup>	0.12	0.20
Paid holiday or annual leave	Proportion taking <sup>**</sup> (per cent)	52.6	49.8
	Mean months <sup>**</sup>	0.47	0.52
Paid long service leave	Proportion taking (per cent)	3.8	3.2
	Mean months <sup>*</sup>	0.14	0.07
Paid sick leave	Proportion taking (per cent)	9.9	11.9
	Mean months <sup>**</sup>	0.04	0.07
Other paid leave	Proportion taking (per cent)	3.5	3.9
	Mean months <sup>*</sup>	0.25	0.16
Total leave	Proportion taking (per cent)	76.0	74.2
	Mean months <sup>**</sup>	0.54	0.70

<sup>a</sup> Proportion of all fathers with access to some leave who took leave type.

<sup>b</sup> Mean months of leave taken by fathers with eligibility for each type of leave (including as 0 those who had eligibility, but took no leave).

Source: BaMS and FaWCS wave 2, only includes mothers who report having a partner who was employed at the birth of their baby.

\*chi-square tests (categorical measures) and f-tests (continuous measures) indicate that differences between BaMS and FaWCS are significant at  $p < .05$ ,

\*\* chi-square tests (categorical measures) and f-tests (continuous measures) indicate that differences between BaMS and FaWCS are significant at  $p < .01$ .

### 3.5 PLP and return to work

Mothers' patterns of return to work are widely viewed as important for a range of reasons. For example, the amount of time mothers take out of the workforce is seen as having important impacts on mothers' and babies' health and wellbeing. This section of the report presents a

first analysis of the impact of PPL on mothers' patterns of return to work, focusing on the likelihood that mothers will have returned to work by key dates of 18 weeks and 12 months.

### **3.5.1 Time out of the workforce**

There are a number of ways that the data collected for the evaluation can be used to estimate changes in mothers' time out of the workforce associated with the introduction of PPL. This section of the report presents the results of a first analysis of this issue. It focuses on the likelihood that mothers will return to work by the time their babies are 18 weeks old and 12 months old. Further analyses will be undertaken into this issue in the evaluation Final Report, and a definitive assessment must await that analysis. Nevertheless, the initial analysis presented here gives a reliable indication of the likely impact of the introduction of PPL on the chance that mothers will return to work by the time their babies are 18 weeks old and 12 months old. The focus is on these two time points following the birth because the scheme aimed both to delay mothers' initial return to work following a birth, and to support their return to work in the longer run. Thus:

- If the scheme delays mothers' return to work, as it is expected to do, this should be especially evident in mothers' likelihood of returning to work by the time their babies are 18 weeks old, since the maximum length of PLP available under the PPL scheme is 18 weeks.
- Examining mothers' likelihood of returning to work by the time their babies are 12 months old gives a useful assessment of their longer run overall likelihood of returning to work.

To assess these issues, mothers' patterns of return to work at 18 weeks and 12 months following a birth were compared before and after the introduction of PPL. An initial assessment is provided by comparing the proportion of mothers who had returned to work at each time in the BaMS (pre-PPL) and FaWCS (post-PPL) mothers' surveys. This comparison shows that mothers in the post-PPL sample were significantly less likely to have returned to work at 18 weeks, and significantly more likely to have done so at 12 months, compared to the pre-PPL sample (Table 3.13). Thus, at 18 weeks, 22 per cent of BaMS mothers had returned to work compared to 17 per cent of FaWCS mothers. At 12 months, 69 per cent of BaMS mothers and 73 per cent of FaWCS mothers had returned to work.

**Table 3.13 Table of descriptive statistics comparing BaMS and FaWCS mothers return to work patterns and social and demographic characteristics**

	BaMS Per cent/ Mean	FaWCS, wave 2 Per cent/ Mean	Total Per cent/ Mean
Returned to work by 18 weeks **			
Yes	22.2	16.7	19.0
No	77.8	83.3	81.0
Total	100.0	100.0	100.0
Returned to work by 12 months **			
Yes	69.4	72.9	71.4
No	30.6	27.1	28.6
Total	100.0	100.0	100.0
Months taken in Paid leave **			
None	54.7	53.9	54.3
Less than 3	9.5	12.4	11.2
3 to 6	18.7	23.4	21.4
6 or more	9.3	9.8	9.6
Missing/still on leave	7.8	0.5	3.6
Total	100.0	100.0	100.0
Age (mean)**	32.3	31.8	32.0
Highest level of education			
Less than high school	8.9	8.6	8.7
Year 12	16.5	17.1	16.9
Trade/cert/dip	24.4	22.6	23.3
Bachelor +	50.3	51.7	51.1
Total	100.0	100.0	100.0
Contract *			
Permanent/ongoing	74.8	76.4	75.7
Fixed term	5.3	6.4	5.9
Casual	11.6	10.6	11.0
Self Employed	7.4	6.0	6.6
Other/don't know	0.9	0.7	0.8
Total	100.0	100.0	100.0
Sector and employer size			
Public	30.2	28.2	29.0
Private-100+	40.1	40.5	40.3
Private-20_99	10.2	11.8	11.2
Private-<20	19.5	19.4	19.5
Total	100.0	100.0	100.0
Current relationship status **			
Married	75.6	75.3	75.4
Cohabiting	17.6	19.7	18.8
Living apart together	0.8	0.9	0.9

	BaMS Per cent/ Mean	FaWCS, wave 2 Per cent/ Mean	Total Per cent/ Mean
Not in a relationship	6.0	4.1	4.9
Total	100.0	100.0	100.0
First child **			
No	50.9	46.7	48.5
Yes	49.1	53.3	51.5
Total	100.0	100.0	100.0
Housing tenure**			
Own outright	19.4	11.2	14.7
Purchasing	54.6	61.1	58.3
Private rental	21.8	23.7	22.9
Public housing/other	3.7	3.8	3.8
Don't know/refused	0.4	0.2	0.3
Total	100.0	100.0	100.0
Total N <sup>a</sup>	2,526	3,475	6,001

Source: BaMS and FaWCS wave 2.

<sup>a</sup> Missing on selected measures are excluded from analysis.

\*Chi-square tests (categorical measures) and f-tests (continuous measures) indicate that differences between BaMS and FaWCS are significant at  $p < .05$ ,

\*\* Chi-square tests (categorical measures) and f-tests (continuous measures) indicate that differences between BaMS and FaWCS are significant at  $p < .01$ .

Further analysis was conducted to assess whether these differences in return to work patterns in FaWCS compared to BaMS might be due to differences in the samples, rather than change in return to work behaviour following the introduction of PPL. Certainly, the profile of mothers in the FaWCS and BaMS samples was a little different (Table 3.13). Most notably, FaWCS mothers were significantly more likely than BaMS mothers to be having first babies (53 per cent, compared to 49 per cent respectively), were about 6 months younger, were a little less likely to be single parents but more likely to be cohabiting, and less likely to own their homes outright. The possibility that the differences in patterns of return to work between FaWCS and BaMS were due to these differences, rather than the introduction of PPL, was assessed using multivariate models. These models allowed assessment of the differences between BaMS and FaWCS in the likelihood that mothers had returned to work at 18 weeks and 12 months to mothers independent of a range of other factors (“covariates”), including the main factors on which the BaMS and FaWCS samples differed. A single family SES measure was used in these models to take account of family SES factors, rather than using a number of variables associated with a family’s socioeconomic status (such as each partner’s education, job, and income).<sup>6</sup>

<sup>6</sup> For partnered respondents, family SES was measured by an equal weighted index of each partner’s education and job status and family income. For unpartnered respondents, family SES was measured by an equal weighted index of their education, job status and income. This construction was modelled on the SES measure described by Blakemore et al (2009).



The results of these analyses confirmed that FaWCS mothers were significantly less likely to have returned to work by 18 weeks than BaMS mothers, and may have been more likely to have returned by 12 months, independent of key covariates. The detailed results are provided in Table 3.14. They show that, independent of the covariates in the analyses, the odds that FaWCS (post-PPL) mothers would have returned to work were about 68% of those that BaMS (pre-PPL) mothers would have returned to work by 18 weeks (Table 3.14). In contrast, the introduction of PPL was not associated with any reduced likelihood that mothers would have returned to work within 12 months of the birth, and may even have been linked to an increased chance of returning by this point. Indeed, the analysis indicates that, independent of the covariates in the analysis, FaWCS (post-PPL) mothers had about 19% greater odds of returning to work by the time their babies were 12 months old compared to BaMS (pre-PPL) mothers. However, this result is on the margin of statistical significance, especially given the large sample in this analysis, and it is uncertain whether the result is due to sampling variability. More definitive analysis of this issue will be made in the evaluation Final Report.

**Table 3.14** Logistic regression for mothers' return to work at 18 weeks and 12 months, comparing mothers before PPL and after PPL

	Return to work by 18 weeks – Odds ratio	Return to work by 12 months – Odds ratio
Pre/Post-PPL		
pre-PPL		
post-PPL	0.68***	1.19*
Months Paid leave		
None		
Less than 3	0.60***	1.27*
3 to 6	0.53***	1.06
6 or more	0.15***	1.21
Missing/still on leave	0.57*	0.93
Age	0.98*	0.99
Family socio-economic status		
Bottom quartile		
Second quartile	1.11	1.34**
Third quartile	1.15	1.33**
Top quartile	0.98	1.38**
Contract type		
Permanent/ongoing		
Fixed term	1.72***	0.88
Casual	1.19	0.60***
Self Employed	4.50***	2.14***
Employer size and sector		
Public		
Private (100+)	1.01	1.03
Private (20-99)	1.55**	1.22
Private (<20)	1.63***	1.13
Current Relationship status		
Married		
Cohabiting	1.07	0.94
Living apart together	1.12	0.58
Not in a relationship	0.87	0.56***
Number of children		
2 children		
First birth	0.69***	0.72***
3 children	1.20	0.76*
>=4 children	1.60**	0.82
Constant	0.75	5.23**
N	5,877	5,099

Source: BaMS and FaWCS wave 2

Note: selection model includes all covariates in the main model plus an indicator for first birth that is excluded from the main model.

\*p<.05, \*\*p<.01, \*\*\*p<.005

### 3.6 Conclusion

This chapter has examined important short-term and intermediate outcomes of the PPL scheme in relation to mothers. It has looked at patterns of choice making between PPL and BB

amongst eligible mothers, their leave eligibility and uptake before and after the birth, and fathers' leave eligibility and uptake following the introduction of PPL. It has also provided an initial analysis of changes in the timing of mothers' return to work following the introduction of PPL. The main findings are the following:

- **PPL awareness and choice:** Virtually all PPL eligible mothers were aware of the scheme. Those who chose BB were significantly different from those who chose PLP. Compared to mothers who chose PLP, mothers who chose BB were more likely to be in groups associated with disadvantage (single mothers, employed on casual contracts, in blue collar occupations, with lower incomes, working shorter hours). Self-employed mothers were also more likely to choose BB.
- **Leave before the birth:** Almost all mothers (96 per cent) stopped work before the birth. Most (73 per cent) took some leave at this time, with employer paid parental leave, paid holiday leave, and unpaid leave being the most common types.
- **Mothers' leave eligibility and uptake:** Overall, there were no major changes in either PPL eligible mothers' access to leave or their leave uptake following the commencement of the PPL scheme. Importantly, the proportion of PPL eligible mothers who said they had access to employer paid parental or maternity leave did not change significantly following the commencement of PPL. In both the pre-PPL and post-PPL samples, 81 per cent of PPL eligible mothers said they took some leave after the birth. Virtually all of those who said they had access to leave took some leave, though the proportion did increase slightly after PPL commencement (94 per cent before PPL and 97 per cent after PPL). Most of this change occurred because the proportion of mothers taking unpaid maternity or parental leave rose slightly (from 60 per cent to 63 per cent), as would be expected if some mothers who would not otherwise have taken leave did so to take PLP. Overall, the total average length of leave taken by mothers did not change significantly following the commencement of PPL.

There were some small changes in mothers' perceptions of their leave eligibility, particularly in relation to access to forms of paid leave other than paid parental or maternity leave. Similar changes were evident in mothers' perceptions of their partners' access to these forms of leave. However, it seems likely that these changes were a result of declining salience of these forms of leave in relation to leave taking at a birth, particularly since the proportions of mothers and partners taking these forms of leave hardly changed.

PPL eligible mothers who chose BB over PLP said they had less access to leave compared to mothers who chose PLP. Overall, nearly one third of these BB mothers

(30 per cent) said they had no access to leave, compared to 13 per cent of PLP mothers. Some 40 per cent of these BB mothers took no leave, compared to 16 per cent of PLP mothers. Amongst those who had access to some leave, these BB mothers took significantly less leave than PLP mothers (average of 6.3 months compared to 8.2 months).

- **Fathers' leave eligibility and uptake:** Overall, there were no major changes in mothers' accounts of the leave their partners took following the birth. A small decline in the proportion of mothers who said their partners had access to no leave (14 per cent before PPL, 17 per cent afterwards) was balanced by a small increase in the average leave taken by partners (an increase of about 3 days on average).
- **Timing of return to work:** A significantly lower proportion of PPL eligible mothers had returned to work by the time their babies were 18 weeks old post-PPL (FaWCS: 17 per cent) compared to pre-PPL (BaMS: 22 per cent). A significantly higher proportion of PPL eligible mothers had returned to work by the time their babies were 12 months old post-PPL (FaWCS: 73 per cent) compared to pre-PPL (BaMS: 69 per cent). The reduced likelihood that post-PPL mothers would return to work before their babies were 18 weeks (compared to pre-PPL mothers) is clearly independent of other key factors affecting the timing of return to work. However, it is uncertain whether the higher likelihood of post-PPL mothers returning to work by the time their babies are 12 months is independent of these other factors.

## 4 Conclusion

The focus of Phase 3 of the PPL evaluation has been on short-term and intermediate outcomes of the PPL scheme, and scheme uptake, including:

- Mothers' awareness of the PPL scheme, choice-making and the receipt and granting of applications;
- Employer responses to the PPL scheme;
- Parents' eligibility for leave and use of leave following the introduction of PPL.

The majority of the report has relied upon two new data collections undertaken in 2012; the EMPERIA survey of 441 employers registered for the PPL scheme in 2012 and the FaWCS which is a longitudinal cohort study of 4,201 new mothers eligible for the PPL scheme. In addition, baseline data collected from mothers in 2010 (BaMS) during phase 1 of the evaluation (see Martin et al. 2012) was used to compare and contrast experiences before the introduction of PPL and after. For employers, the EIPE data was used to compare and contrast experiences of employers shortly after the introduction of the employer role (July 2011) with the EMPERIA data examining their experiences after the PPL scheme was more established.

### 4.1 Employer response to the PPL scheme

The PPL scheme is designed so that employers play a key role in providing PLP to mothers. This report has examined in some detail two important questions related to the short term outcomes of the employer role in the PPL scheme:

- Whether employers have made any changes to their existing leave entitlements for employees in response to the schemes introduction; and
- The experiences of employers in meeting their responsibilities under the scheme.

In relation to the first issue, almost all employers maintained their existing paid maternity or parental leave policies, if they had these provisions before the commencement of the PPL scheme. Only 14 per cent (n = 21) of the employers with pre-existing schemes surveyed in 2012 had changed their policies after the implementation of PPL. Of those who made changes, most employers (76 per cent) made changes that enhanced the PPL scheme, such as introducing an employer paid leave entitlement that topped up the PLP to match an employee's salary (49 per cent), or providing other entitlements such as a return to work bonus or additional paid leave. The survey indicates that only a small proportion of employers who made changes to their paid leave policies reduced (5 per cent of the 14 per cent who made changes) or withdrew (30 per cent of the 14 per cent who made changes) one or all of their

existing paid leave entitlements. None of these employers fully reduced or withdrew all of their paid leave entitlements.

In relation to the second question, the survey results indicate the majority of employers found their role in the PPL scheme to be relatively easy and inexpensive. The majority of employers (81 per cent) agreed or strongly agreed that the registration process and the organisation of payments for the PPL scheme were easy. Similarly, most employers felt that there were minimal costs to their organisation in implementing the scheme. It should be noted that a significant minority (37 per cent) agreed “that organising payments for PPL has been time consuming”, but this finding did not differ by organizational size or sector.

Analysis comparing the EIPE (2011) and EMPERIA (2012) surveys suggest there were significant improvements in employer attitudes towards the registration, organisation and costs involved in implementing PPL between 2011 and 2012. Controlling for employer size, sector, permanency of the female workforce, part-time work levels and unionization levels, employers in 2012 were more likely to agree that the organisation of payments had been easy and to disagree that the implementation and processing of payments had been time consuming. Similarly, between 2011 and 2012, there were significant decreases in the perceived costs involved in implementing PPL in terms of staff hours.

Together these results indicate that overall employers did not reduce or remove existing leave entitlements for employees, and that they found their role in the scheme to be relatively easy and inexpensive to implement.

## **4.2 Awareness of PPL, decision making and the receipt and granting of applications**

The mothers’ survey data indicate that almost all PPL eligible mothers were aware of the governments’ PPL scheme; only 6 per cent of PPL eligible mothers who chose BB had not heard about it. These mothers were more likely than others to be having a first baby, or to be from an Aboriginal and Torres Strait Islander or CALD background.

After the introduction of the PPL scheme, the Baby Bonus payment continued to be available for all eligible mothers, and the majority of working mothers were eligible for both payments. However, Parental Leave Pay (PLP) and Baby Bonus cannot both be paid for the same child, and not all mothers who were eligible for PPL decided to take it. Mothers who were not legally married, were self-employed or employed on casual contracts, or who had lower income were all more likely to choose BB rather than PLP. Following 1 March 2014 when changes to BB commence, different choices are likely to be made by these groups of mothers.

### **4.3 Parents' access to and uptake of employer leave, and time out of the work force**

Data from the FaWCS survey of mothers shows that 98 per cent of mothers took the full 18 weeks of PLP offered by the scheme. This phase of the evaluation also examined changes in mothers' access to and uptake of various types of leave from their employer after the introduction of the PPL scheme; including employer paid parental leave, unpaid parental leave, "other" leave without pay, paid holiday or annual leave, paid long service leave, paid sick leave and "other" paid leave. This is important because the PPL scheme is a payment at minimum wage made to eligible mothers in the months following the birth of their baby; it does not directly guarantee that mothers will be eligible for leave from their employers at the time they take PLP. Thus mothers need to combine PLP with paid or unpaid leave from their employer. The survey indicates that only 4 per cent of PPL eligible mothers would not have been eligible for either statutory unpaid leave or other forms of paid or unpaid leave from their employer when their baby was born. Of those mothers the majority resigned from employment (49 per cent), or took leave from their employer, presumably with some kind of informal agreement from their employer (23 per cent).

PLP also cannot be accessed by mothers prior to the birth of their baby, and payments cannot commence until mothers have provided "proof of birth" (though payments can be backdated if proof is provided within 28 days). The majority of PPL eligible mothers (96 per cent) ceased employment prior to the birth of their baby, and this evaluation shows that during that time 30 per cent of mothers took employer paid leave, 34 per cent took paid holiday or annual leave and 22 took unpaid leave from their employer. Mothers are also able to combine PLP with employer paid leave. Results from the FaWCS survey indicate that around half (48 per cent) of PPL eligible mothers had access to employer paid leave as well as PLP, the majority (62 per cent) took their employer paid leave before PLP, with a significant minority (31 per cent) taking PLP at the same time as employer paid leave (possibly indicating a "top" up arrangement with their employer) with very few mothers taking PLP before their employer paid leave (5 per cent).

In FaWCS, around 17 per cent of mothers perceived that they were unable to access any forms of leave from their employer. Resignation from employment around birth was much more common amongst these mothers (25 per cent) than mothers who perceived they did have access to some form of employer paid leave (5 per cent). The proportion of mothers who perceived that they did not have any access to leave had increased significantly from 14 per cent for BaMS mothers surveyed before PPL, to 17 per cent for FaWCS mothers after PPL was introduced.

Results comparing pre-PPL and post-PPL leave experiences of mothers indicate that overall there was little change in the number, types and lengths of leave that mothers took from their

employers after the birth of their babies. There was a significant, though small, increase in the proportion of mothers taking unpaid leave from their employer. This is consistent with expectations of changing patterns of leave taking because it is necessary for mothers to take some form of leave from their employer while they are receiving their PLP.

Mothers were also asked about fathers' access to and uptake of leave from their employer in the twelve months after the birth of their baby, and differences between fathers' leave taking patterns before and after PPL were examined. Overall mothers reports suggested a small decrease in fathers' access to paid and unpaid leave from their employer: mothers reporting that their partners had no access to leave increased from 14 per cent in BaMS to 17 per cent in FaWCS. Nevertheless, the survey indicated that around three-quarters of fathers took leave from their employer in the first year of their babies life; 76 per cent in BaMS and 74 per cent in FaWCS. Notably, it appears that there was a significant increase in the total length of time taken by fathers, from about 0.5 months in BaMS to 0.7 months in FaWCS (approximately 3 days).

This phase of the evaluation also examined the likelihood that mothers would have returned to work by the time their babies were 18 weeks and 12 months, two important time points from the policy point of view. The 18 week timepoint is the maximum length of PPL payments, and the 12 month timepoint gives the best possible estimate of longer term return to work that can be made from available data. The results show that the introduction of PPL is clearly associated with a reduction in the proportion of mothers who return to work by the time their babies are 18 weeks old (overall, 17 per cent did so following the introduction of PPL, compared to 22 per cent before PPL). This pattern is independent of other key factors impacting whether mothers return to work by this time. Moreover, the introduction of PPL is clearly not associated with a reduction in the proportion of mothers who return to work by the time their babies are 12 months old, and may be correlated with a small increase in the proportion of mothers who return to work at this point.

#### **4.4 Final comments**

This Phase 3 report of the evaluation has concentrated on the short-term and intermediate outcomes of the PPL scheme. The final, Phase 4 report, will focus on evaluating progress towards achieving the ultimate outcomes of the scheme, which are to:

1. Enhance the health of babies and mothers, and the development of children, by enabling working mothers to spend longer at home with their newborn children;
2. Facilitate women's labour force participation; and
3. Encourage gender equality and improve the balance of family and work life in Australian families.



## References

- Blakemore, T., L. Strazdins, L. J. Gibbings, (2009) 'Measuring family socioeconomic position', *Australian Social Policy*, no. 8, pp. 121–68.
- Martin, B., B. Hewitt, M. Baird, J. Baxter, A. Heron, G. Whitehouse, M. Zadoroznyj, N. Xiang, D. Broom, L. Connelly, A. Jones, G. Kalb, D. McVicar, L. Strazdins, M. Walter, M. Western, M. Wooden (2012). *Occasional Paper No. 44: Paid Parental Leave Evaluation: Phase 1*. Australian Government, Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA): Canberra.
- Martin, B., Hewitt, B., Jones, A., Yerkes, M. A., Baird, M., Davis, K., Rose, E., Rose, J., Coles, L., Heron, A., Xiang, N., Strazdins, L., Zadoroznyj, M., Kalb, G., McVicar, D., Baxter, J., Walter, M., Western, M., Whitehouse, G., Connelly, L., Broom, D. (2013) *Paid Parental Leave Evaluation Phase 2 Report*. The Institute for Social Science Research, The University of Queensland. Accessed at <http://www.fahcsia.gov.au/our-responsibilities/families-and-children/benefits-payments/review-of-the-paid-parental-leave-scheme/paid-parental-leave-phase-2-report>.

Institute for Social Science Research  
Level 4, General Purpose North No.3 (Building 39A)  
The University of Queensland 4072  
Telephone: (07) 3346 7646 | Facsimile: (07) 3346 7646  
Email [issr@uq.edu.au](mailto:issr@uq.edu.au) Web ISSR - the University of Queensland