

Teleconference | Paid Parental Leave policy

awia-ppl.eventbrite.com.au

Monday, 14th July 2014 - 8:00pm AEST

Hosts:

Philip Brown Branch Manager, Parent Payments and Family Research, Department of Social Services
Elizabeth Brennan President, Australian Women in Agriculture (AWiA)

Present:

Jill Briggs Victoria
Hilary Goode South Australia
Rebecca Kelly Western Australia
Elaine Paton AO Victoria
Fleur Wilkins Victoria
Natalie Williams Queensland

Absent: (registered but didn't attend)

Susan Bryant Queensland
Jenny Anderson Victoria
Jeanette Severs Victoria
Georgie Somerset Queensland
Jacqueline Starritt New South Wales
Elissa Strong New South Wales

SUMMARY OF DISCUSSION

NB: the bullet points state information provided by the Department of Social Services during the teleconference, with *comments* and *recommendations* developed as part of the consultation lead by Australian Women in Agriculture. a

Key parameters of the current Paid Parental Leave (PPL) policy:

- 18 weeks at the rate of the national minimum wage (currently \$622 a week before tax), whichever is higher.
- A claimant may be eligible for Parental Leave Pay if their individual adjusted taxable income does not exceed the income limit of \$150,000 in the financial year prior to the date of birth or adoption, or the date of claim, whichever is the earlier.
- Dad or partner pay is an additional 2 weeks payment at the rate of the national minimum wage.
- 75% currently receive payment directly from employer.

Key parameters of proposed PPL policy:

- 26 weeks at their wage or national minimum wage (up to \$100,000pa).
- The 'Dad or Partner' payment is 2 weeks inclusive of the 26 weeks at their wage (capped at \$100,000 a year) or the national minimum wage (whichever is the greater), plus superannuation.
- The father will be able to access payments at the lower of his actual wage or the mother's wage, or the national minimum wage if that is higher.
- Superannuation also included in package paid at the Superannuation Guarantee rate.
- PPL payments will be made by Centrelink.
- The scheme will be partly funded by a 1.5 per cent levy on the 3,000 largest companies in Australia. At the same time, the Government will also provide a company tax cut of 1.5 per cent to all companies.
- The 'Work Test' for the new scheme will remain the same as for the current PPL scheme.

Eligibility and assessment:

- Apply to Centrelink to assess eligibility.
- The 'Work Test' requires the applicant to have worked 330 hours for at least 10 of the past 13 months prior to the birth or adoption of their child (just over 1 day a week) with no more than an eight-week gap between two consecutive working days.
- Encourages women to have an ongoing connection to the workforce.
- Employees with more than one income stream will be totaled and averaged, taking into consideration casual loading rates where appropriate.
- A 'partner' is an 'open definition' and includes de facto, co-habiting, same sex relationships.
- Under the current PPL scheme 25% (40,000) of women accessing will be regionally based with smaller proportion being remote (less than 1.6%).
- Around 10,000 women are expected to apply for PPL are self-employed. Of this group, 60% will be earning below the national minimum wage.
- 'Assets aren't counted' and there is 'no asset test'.

Often in farming or regional small business, the owner/partner doesn't take into consideration the number of unpaid hours expended.

Issue is then less about loss of income, but more about the replacement cost of hiring staff to undertake the otherwise unpaid work.

The low cash stream and minimal profit margins then struggle to employ additional staff.

Assessment needs to take into consideration the skills and qualifications, with special consideration that rural women will underestimate their wage earning capacity.

Rural people are notorious for self-assessing and could be accessing more but don't believe they're eligible.

Rural families often have several ways to structure their businesses within the different agricultural industries.

1. Develop process for assessing true cost of unpaid work of business owner/partner, such as a sliding scale payment system that values the owner/partners contribution to the business, similar to the process that insurance companies use to calculate insurance premiums.
2. Reimburse staff costs incurred for replacing otherwise unpaid work undertaken by the business owner/partner to counter loss of business earnings.
3. Encourage those eligible for the PPL to access the scheme through streamlined process and extensive information dissemination.
4. Provide case studies or examples relevant to regional and agricultural women to assist with positive messaging and understanding of eligibility.

Application process:

- Considered effort being made to simplify and streamline application process via online forms.
- Additional Centrelink staff will be made available, depending on assessed need

Any website needs to be designed with consideration to significant telecommunications issues such as slow and unreliable internet connections.

GPO Box 223
Canberra, ACT 2601

administration@awia.org.au

ACN: 85 081 705 204



Current waiting times both via phone and in person are an increased disincentive to regional applicants, especially because they are unable to 'come back the next day'.

Largely metro or regional centre based Centrelink services are inaccessible by large number of regional Australian.

The challenges of service provision in regional Australia is often under-estimated and misunderstood.

Information dissemination may be problematic given the usual sources of information (eg: doctors, child health nurses, Centrelink) might not be widely accessible.

5. A multi-faceted communications plan will need to be developed to ensure that any changes to the PPL policy are widely promoted – with targeted and clear messaging to inform rural and regional women.
6. Recommend that a streamlined process that includes a 'one stop shop' website that doesn't require applicant to visit Post Office or newsagency as these services are often a long way away or non-existent.
7. Recommend that a dedicated staff be considered to provide localised access and advice – understand the needs of rural/regional women.
8. That the AWiA Member and wider network is utilised for further consultation.

Claiming and payment:

- Individuals nominate a superannuation fund for payment.
- Centrelink realises that they may need to assist with set up when stepping the claimant through the process for women without an existing superannuation fund.
- The process will assist with awareness of the importance of superannuation for young women.
- The PPL payment can be transferred to partner, provided that the partner is primary caregiver.
- Parents will be able to claim up to three months prior to birth.
- Can nominate a payment start date six weeks prior to expected date of birth.

Small business owners often pay minimum superannuation to themselves to maximize financial performance of the business.

Whilst this assists the business in the short run, it is detrimental to the broader industry and community in the long term.

As a mother in remote Australia, fulltime employment is forgone when children are born then the role changes from fulltime parenting to fulltime schooling via such services as School of the Air.

Until 1 July 2015, it will be business as usual and there can't be any changes until the legislation changes. Further consultation will be made available at various stages of the policy development. Australian Women in Agriculture will continue to engage and advocate on behalf of women in agriculture and regional Australia. For further information follow us on [Facebook](#), [Twitter](#) or become a [Member](#) to receive fortnightly updates.