
E Eligibility requirements

Key points

- Given its objectives, a paid parental leave scheme needs to target parents with genuine attachment to the workforce and workplace.
 - Parents not attached to the paid workforce have different needs, which are best met by more traditional welfare support measures.
- Access to the paid parental leave scheme proposed by the Commission requires employed parents to work an average of eight hours or more weekly and to have tenure with the workforce of at least 10 of the last 13 months.
 - Given Australia's current fertility rate and population, around 145 000 (or nearly 85 per cent) of the 173 000 women in a job around the time of birth would be eligible for the Commission's proposed scheme.
 - There is poorer data on fathers' likely eligibility. Nevertheless, the Commission estimates that of the 235 000 fathers with direct caring responsibilities who are in a job around the time of birth, around 225 000 (or about 95 per cent) would be eligible for paid paternity leave. Subject to the eligibility and preferences of their partner, they would also be eligible to parental leave.
- The Commission has outlined the possible future introduction of mandated employer super contributions on statutory parental leave for those parents who would be covered by the National Employment Standards and eligible for super in their job prior to birth.
 - Under these rules, around 115 000 or 79 per cent of mothers eligible for the statutory paid parental leave scheme would also be eligible for super contributions by their employers during the statutory leave period.
 - For men, about 135 000 or 60 per cent would be eligible for super contributions. (The higher numbers who are eligible reflect the higher workforce participation of fathers, while the lower percentage arises because many are self-employed or employers, rather than employees).
- The Commission has rejected any requirement for employers to provide accrued leave entitlements for parents who were eligible for statutory paid parental leave. However, survey evidence suggests that were such a feature included in a scheme, around 95 000 mothers and 110 000 fathers would be eligible.
 - These estimates assume that a person eligible for such an entitlement would also have to be eligible for unpaid leave under the National Employment Standards and for accrued leave entitlements on their usual paid leave.
- Employers would act as paymasters on behalf of government for some employees. An estimate of the number of employees covered by these paymaster arrangements is equal to those who would be eligible for superannuation.
- Not all people eligible for the various elements of the scheme will actually choose to participate in these.

This appendix has several purposes. It sets out:

- the basis for the Commission’s eligibility criteria
- the relevant proportions of parents fitting the eligibility criteria for access to various possible elements of a statutory paid parental leave scheme and their derivation
- where the data permits, the implications for access to a paid parental leave scheme of more or less stringent criteria.

E.1 What determines the appropriate eligibility conditions?

The appropriate eligibility conditions for a paid parental scheme depend on its objectives (chapter 1), on the nature of payments received by those participating in a leave scheme (chapter 2) and on how the social welfare system is structured (chapter 9).

Objectives

In an Australian context, the primary objectives are to promote family welfare by extending leave taken from paid work around the birth of a baby, to overcome some of the biases against undertaking paid work present in the current welfare system, and to assist a better balance between employment and family life for those in the paid workforce. These objectives necessarily imply that a paid parental leave scheme would only apply to people in employment, either as employees or self employed. This is the international norm.¹

Parents who are not attached to the paid workforce have different needs, which are appropriately acknowledged through more traditional welfare support measures. Treating these two groups in an identical manner would actually undermine the key objectives of a paid parental leave scheme. Meeting the differing needs and objectives of parents in different circumstances therefore requires targeted approaches.

¹ Finland is a rare exception. There, all mothers, whether employed or not, get access to paid maternity leave at a minimum rate, with higher amounts paid to those with labour earnings.¹ Their system is a universal scheme with open eligibility because its payments involve a two part structure for payments — a minimum amount for all (somewhat like Australia’s baby bonus) and an additional entitlement that is proportional to labour earnings. However, in all other countries, the welfare and paid parental leave systems are separated, with payments made to parents outside the labour force being made separately from in work entitlements.

Nature of payments

A high minimum level of payments under a scheme would stimulate labour force participation because working would be more attractive than not. However, if eligibility conditions were very open, this could have unintended impacts by encouraging ‘hit and runs’ — people only notionally participating in the labour market to qualify for the benefits. As an illustration, people could easily meet a requirement to have worked just one hour in the past year. A high minimum payment with open eligibility conditions would effectively make a paid parental leave scheme a de facto universal payment, with no prerequisite for genuine labour market attachment. This would be contrary to the goals of a scheme.

Social transfers for those outside the labour force need to be considered

A paid parental leave scheme can only achieve its objectives if the amount government pays is greater than the benefits parents would get had they exited from the labour force. As discussed in chapter 9, such family assistance measures provide significant benefits to families in which the primary carer is unpaid. Accordingly, the payments have to be sufficiently high to encourage the use of paid leave, but not so easy to get as to encourage people to work only notionally to qualify.

E.2 Design implications for eligibility criteria

Accordingly, a paid parental leave scheme has to either:

- provide a base level of payment that makes taking an in-work benefit attractive compared with welfare, combined with a level of payment proportional to the extent of people’s employment activity to reduce the incentives for ‘hit and runs’ by people with low labour force attachment (akin to the Finnish scheme — Moss 2008)
- *or* allow a high minimum payment, but require reasonably stringent eligibility conditions to control ‘hit and runs’.

Open eligibility with structured payments

The first option would allow all employees to participate in a scheme, but would involve a relatively elaborate design to work well. Box E.1 sketches one possibility.

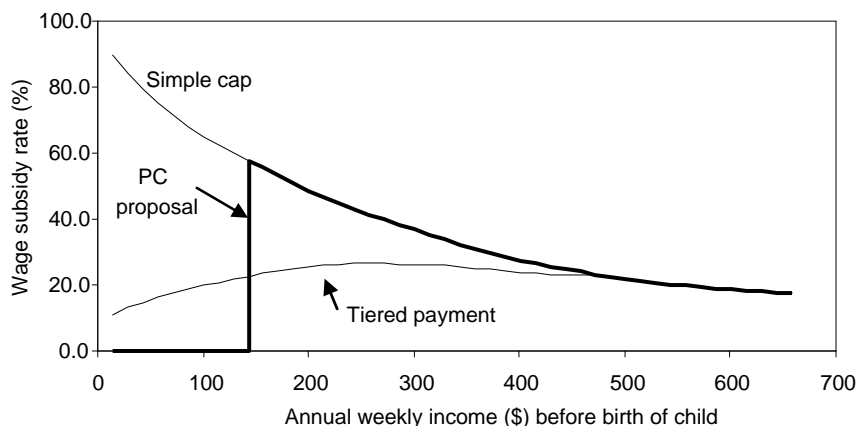
Box E.1 Tiered payments allow for easier eligibility but entails greater complexity

One approach for payment would be to set benefits as the sum of:

- the weekly welfare payments that an employee would get were the employee to be outside the labour force. (The main relevant payment would be the baby bonus of \$5000 or if the leave period was 18 weeks as proposed by the Commission, \$278 per week on a pro rata basis.)
- a fixed supplement per fortnight that is independent of the employees past earnings
- a fixed share of the employee’s average fortnightly earnings over the past year or a threshold amount, whichever is the smaller.

While the above approach *looks* complex, it is no more than a flat amount paid per week to everyone on leave and a capped share of average earnings. As an illustration, with a supplement of \$25 per week, a fixed share set at 50 per cent, and a threshold weekly amount of \$482, every parent would get a lump sum weekly payment of \$303. In addition, they would get 50 per cent of their actual weekly salary or of \$482, whichever was the smaller. The maximum weekly benefit would be the adult minimum wage of \$543.78. Someone earning \$200 a week in their job prior to birth would still get paid parental leave of \$403 weekly, \$125 better than the baby bonus, while someone earning a pre-birth wage of \$20 weekly, would get parental pay of \$313 weekly, around \$35 more than the baby bonus.

In contrast, a simple limit provides everyone with a gross additional income of \$543.78 per week. This provides very large returns from just entering the labour force (and more muted incentives to increase their hours above the minimum). Tiered payments lead to much more stable wage subsidy rates than flat benefits (see figure below). Tightening eligibility criteria reduces the excessive subsidy rate associated with the simple cap (the bold line in the chart).



(a) The subsidy rate is calculated as $100 \cdot (W_{PPL} / W_{Prescheme} - 1)$ where W_{PPL} is the after tax annual wage of someone working for six months in a year, and then giving birth on January 1st and then getting access to paid parental leave during the following 18 weeks, before taking 8 weeks of unpaid leave; and $W_{Prescheme}$ is the after tax annual wage of someone with the same working pattern, but getting access to the baby bonus rather than paid parental leave. An hourly wage rate of \$20 is assumed. The subsidy rate also takes account of the provision of superannuation.

This possible approach:

- still limits payments to the adult minimum wage — assisting cost effectiveness
- provides more benefits for those with greater attachment to the workforce — increasing the return from working more than the minimum and overcoming some of the perverse incentives for merely marginal attachment
- has a floor that is higher than welfare payments — overcoming incentives not to work
- provides eligibility for nearly all people so that, even if they start with only several hours of work a week, they can establish a pattern of working, and develop their job skills and networks. This may provide a stepping-stone to future jobs with longer hours.

The administrative costs for government of such an approach would probably not be excessive. Indeed, the many overseas models basing payment on prior earnings have demonstrated its practicality (for example, the New Zealand scheme).

However, the Achilles heel of tiered payments is that employees would probably find it hard to calculate their entitlements. This might undermine the capacity of a statutory paid parental leave scheme to change labour supply behaviour, since people's decisions about whether, or how long, to work depend on knowing the returns from working. Accordingly, as noted in chapter 5, the Commission has proposed a simpler scheme that involves some eligibility hurdles.

More stringent employment tests are more practical

Given the need for eligibility hurdles, the critical issue is the appropriate labour market engagement necessary for eligibility for statutory paid parental leave and for any business contributions.

Most countries with paid parental leave have eligibility criteria based on some minimum hours of work and tenure with either the employer or the workforce, or they have more open eligibility, but only pay a share of earnings. Some representative requirements are:

- Belgium — open eligibility for earnings-related paid maternity leave, but for parental leave, one year's employment with same employer over the last 15 months

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- Canada — differs by province, but most provincial schemes require a year of continuous service with a single employer. The federal scheme requires 600 ‘insured’ hours of work in the past year²
 - Czech Republic — to be eligible for maternity benefit, an employee must have contributed to sickness insurance for at least 270 days during the last two years
 - Greece — one year’s continuous employment with their present employer
 - Denmark — 120 hours in 13 weeks preceding the paid leave
 - Ireland — to be eligible for maternity benefit, an employee or self-employed person has to have been employed for 39 weeks during which Pay Related Social Insurance was paid in the 12-month period before the birth of the child.
 - New Zealand — an average ten hours of work per week and six months tenure with the current employer prior to the expected birth time
 - Norway — employment for six of the last ten months prior to delivery and earnings at least half the basic national insurance benefit payment over the previous year
 - Portugal — six months of insurance contributions
 - United Kingdom — for maternity leave, 26 weeks and a minimum earnings test, while for parental leave, one year of continuous service with the same employer.

In devising its scheme, the Commission was mindful of these kinds of eligibility criteria. We looked at various dimensions of labour market attachment as the basis for eligibility, including:

- employment status
- time in the workforce (workforce tenure)
- time in the workplace (workplace tenure)
- the average weekly number of hours of work
- the nature of employment (casual, contractor, self-employed, permanent employment and so on).

We examine each of these dimensions below and, in particular, the implications they have for the proportions of parents who would be eligible for a paid parental leave scheme.

² Insured hours include the hours paid by the employer while on normal leave.

E.3 Employment status

A paid parental leave scheme applies to parents who are genuinely employed around the time of birth. This group of women obviously excludes those who were not employed at all while pregnant. It would also exclude many women who were employed for only a part of their pregnancy, although the exact circumstances when these women should be excluded are difficult to define precisely.

For instance:

- on the one hand, a woman whose employer went out of business three months into her pregnancy (roughly six months before the expected date of birth) and who failed to find another job would reasonably not be recorded as ‘employed around birth’ and would not be eligible for participation in a statutory paid parental leave scheme
- on the other hand, a woman whose employer went out of business only one week before she was due to give birth would reasonably be recorded as ‘employed around birth’ for the purpose of eligibility to a paid parental leave scheme.

Accordingly, at some time between early and late pregnancy, a woman who loses her job because of retrenchment or business closure and who does not find another job would not be even considered for eligibility for paid parental leave. Similar issues arise for temporarily employed women whose job ends just prior to birth.³

The Commission has not made detailed recommendations about the exact cutoffs that would determine when a woman employed at some time during pregnancy would be outside the scope of a paid parental leave scheme and it will be a matter for more detailed consideration by government in implementing a scheme. The Commission’s recommendation that the tenure requirement would be ten months of work out of the last 13 months prior to expected date of birth will deal with many cases where a parent is made redundant or otherwise loses connection to the labour market for a short period prior to birth. However, it would not deal with all cases — for instance a woman who would have got to 10 months tenure, but for her employer going into receivership two weeks before birth.

To provide an indicative measure of how many mothers would be even considered for eligibility (and to cost our proposed scheme), the Commission had to make some assumptions about how many women who left work before birth may be regarded as employed.

³ For example, in the United Kingdom a female employee who has been working in a temporary job for the same employer for 26 weeks by the 15th week before the due date of the baby is eligible for paid maternity leave.

We have also taken account of the likelihood that some mothers who would have left work during their pregnancy in the absence of a statutory paid parental leave scheme will now stay on to qualify in its presence. (In effect, many women currently resign from work because they do not have access to paid parental leave, so their behaviour could be expected to change when a scheme is introduced.)

The Commission examined the eight reasons women gave for permanently leaving their jobs prior to birth⁴ by two periods of time before birth when they left their jobs (based the ABS *Pregnancy and Employment Transitions Survey* (PaETS)).⁵ Then for each of the resulting 16 possible combinations, we assigned probabilities that these employees would be employed (or deemed to be employed) around the time of the birth of their child *after* the introduction of a paid parental leave scheme. In general, where a woman left her job within two months of the date of birth, it was assumed that she would still potentially be eligible for participation in the scheme. If she left earlier than that time, there was a lower probability that she would meet the initial hurdle of ‘being employed’ for potential eligibility in the scheme.

Using PaETS, we found that the majority of women employed while pregnant would be *potentially* eligible for the paid parental leave scheme (figure E.1). (They would still need to meet the hours and tenure tests to participate in the scheme). Changes in the assumed probabilities discussed above did not make a material difference to the numbers of potentially eligible mothers.

E.4 Time in the workforce and workplace

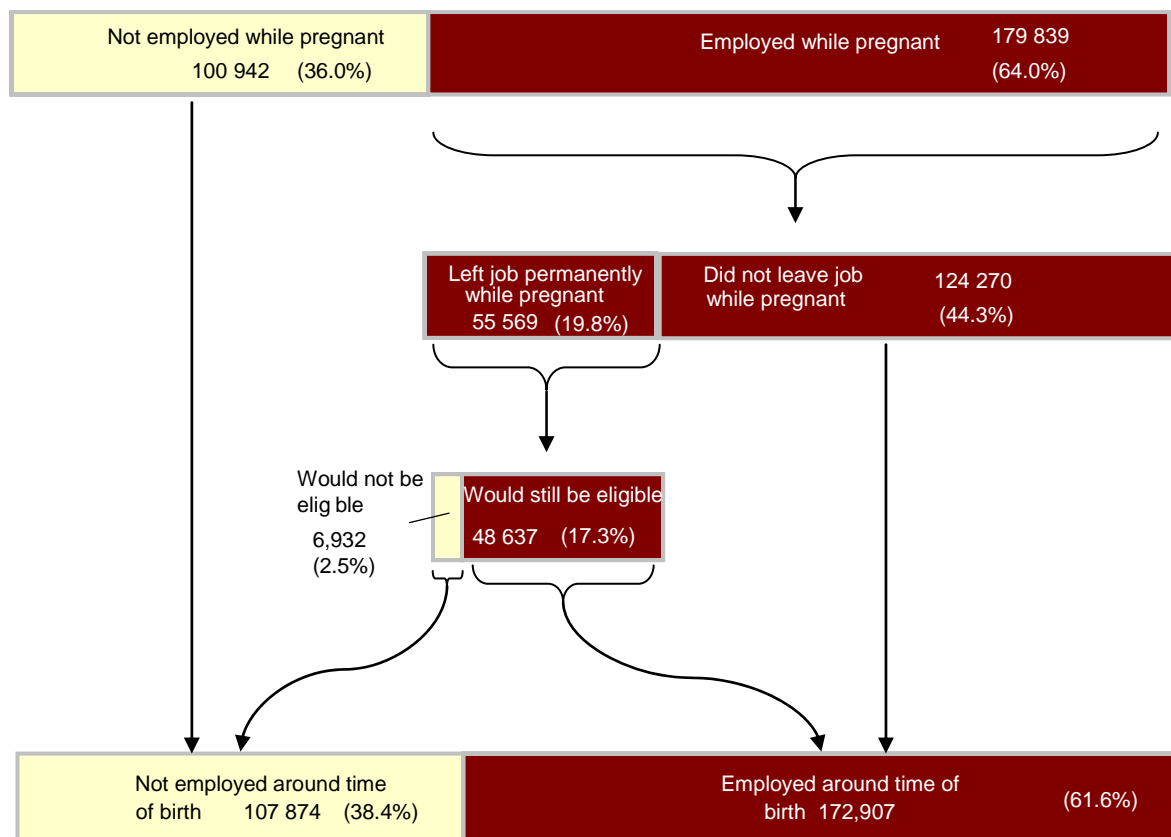
Most mothers employed before birth have more than one year of tenure in the labour force (figure E.2). For instance, nearly nine in every ten employees have more than 12 months tenure in the workforce prior to birth. The figure is only a little lower for the self-employed and employers.

Similarly, about 80 per cent of mothers employed prior to birth have had tenure with their employer (or have run their own business) for longer than 12 months (figure E.3). This is strongest for mothers in couple relationships, but even around three quarters of sole parent mothers have had employer tenure of 12 months or more. Altering the qualification period to six months would include an additional 11 per cent of employees and 7 per cent of the self-employed and employers.

⁴ These were retrenchment and dismissal; failure of business or cessation of a temporary job; felt an obligation to leave; unsatisfactory conditions of employment; no longer wanted/needed to work; to care for a child; problems with child care; and other.

⁵ The time periods examined were within 8 weeks of birth and 8 or more weeks prior to birth.

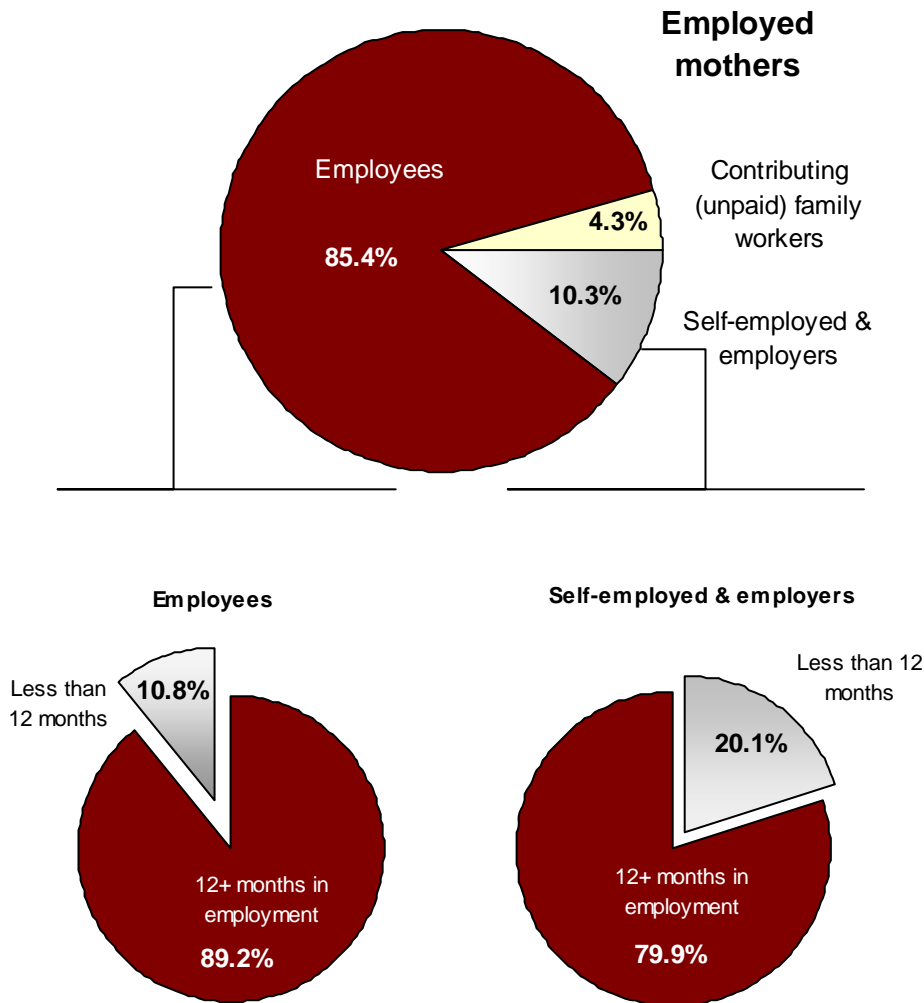
Figure E.1 The employment status of mothers^a



^a Percentages are calculated as shares of total mothers in 2007 (confinements of around 281 000). Those employed around the time of birth would not necessarily be eligible for statutory paid parental leave, and would need to meet the tenure and hours tests to qualify. Figure E.4 shows the proportion of those employed who would be eligible to participate in the scheme.

Data source: ABS (*Pregnancy and Employment Transitions, Australia*, Expanded Confidentialised Unit Record File, Nov 2005, Cat. no. 4913.0.55.001).

Figure E.2 **Employed mothers by workforce tenure^a**



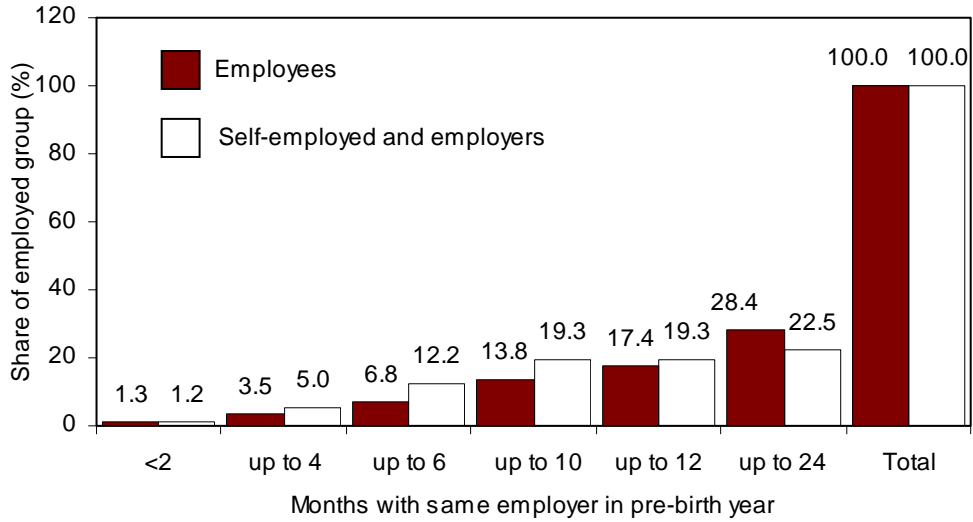
^a The data on the share of mothers of newborn children by type of employment (self-employed, employees and family workers) are from PaETS, as is the estimate of the share of the self-employed and employers in business for 12 months or more. PaETS does not have workforce tenure for employees. The estimate of workforce tenure for employees was obtained from LSAC. It is not possible to examine *workforce* tenure for different sub-periods below 12 months in LSAC.

Data source: LSAC wave 1.5 and ABS (*Pregnancy and Employment Transitions, Australia, Expanded Confidentialised Unit Record File, Nov 2005, Cat. no. 4913.0.55.001*) (PaETS).

Figure E.3 **Workplace tenure^a**

Cumulative share of mothers by months with same employer prior to birth

By type of employment



By family status

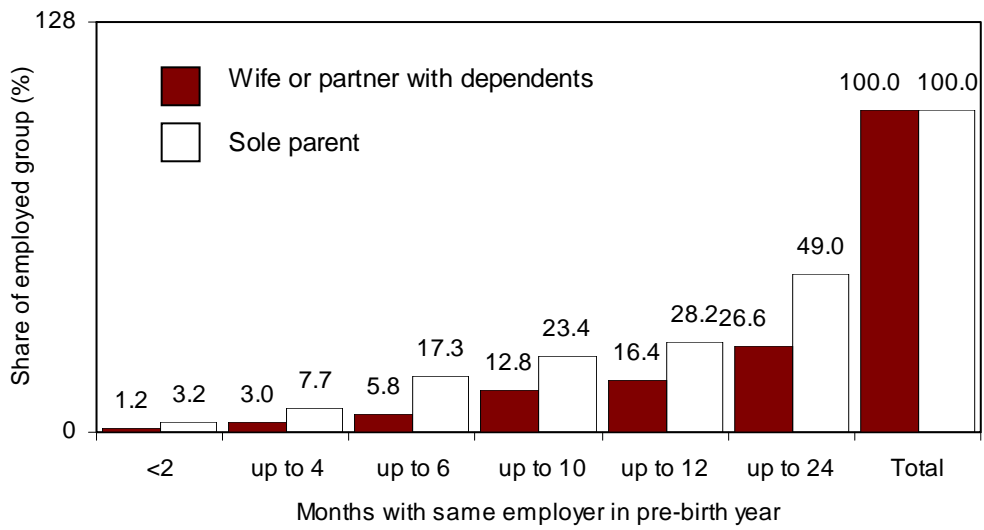
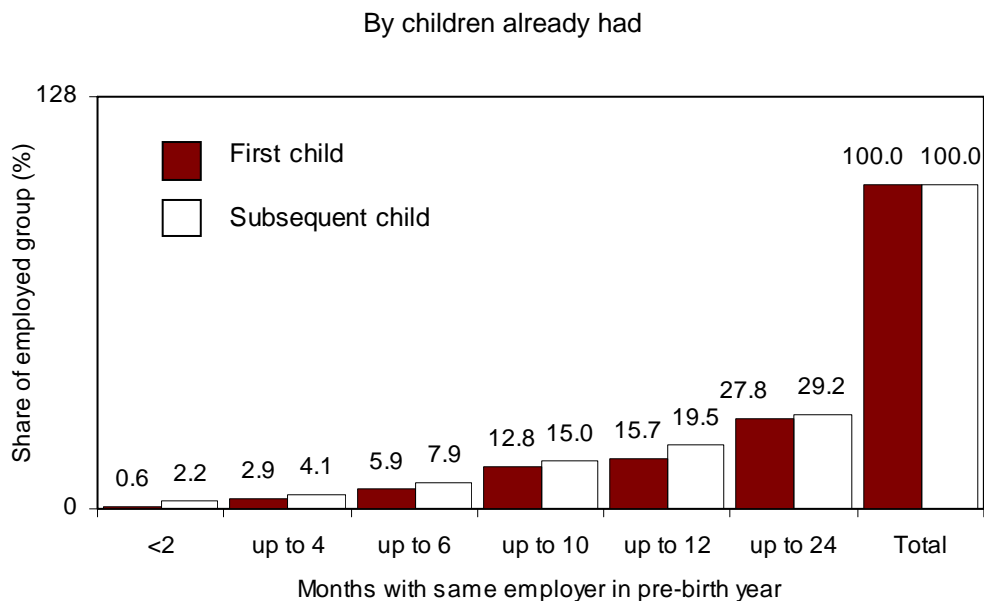


Figure E.3 (continued)

Cumulative share of mothers by months with same employer prior to birth



^a The data show the cumulative share of employed mothers with different periods of tenure. For example, the above graph shows that 19.5 per cent of mothers who had already had at least one child had worked for less than 12 months with their employer (and therefore 80.5 per cent had worked for 12 months or more). Similarly, 7.9 per cent of existing mothers had worked for less than six months (and therefore 92.1 per cent had worked for six months or more). Accordingly, changing the eligibility condition from 12 to 6 months would enable an additional 11.6 per cent of mothers who had already had children to participate in the scheme.

Source: PaETS.

E.5 Hours worked

Of employee mothers with tenure of 10 months or more with their employer, 85 per cent worked more than 20 hours a week on average in their jobs prior to giving birth and 98 per cent worked eight hours or more per week on average (table E.1). Coverage is less complete for the self-employed/employers who have been running their business for one year or more. Around 60 per cent of this group worked more than 20 hours a week and about 80 per cent worked more than 8 hours a week.

These data relate to mothers with a year or more of *workplace* tenure from PaETS. Less detailed data on hours are available from the *Longitudinal Study of Australian Children* (LSAC), but they tell the same story. Of those mothers with workforce tenure of one year or more, 96 per cent worked for an average of ten hours or more per week (table E.2).

Table E.1 Distribution of working hours of mothers employed before birth^a

<i>Hours ranges</i>	<i>Employees</i>	<i>Self-employed and employers</i>
	%	%
<8	2.0	21.3
8 <15	5.5	11.4
15 <20	7.4	8.3
20 <25	10.9	12.8
25 <30	4.3	7.8
30 <35	7.3	5.8
35 <40	29.5	8.5
40 <45	23.1	13.7
45+	9.9	10.5
Total	100.0	100.0

^a Only relates to those mothers who had at least ten months of tenure with her employer prior to birth. The results are based on the usual weekly hours worked in last main job while pregnant, before any change in hours associated with pregnancy. A small share of women changed their hours (typically downwards) as a result of being pregnant, but the average reduction was only 1.6 hours per week.

Source: PaETS.

Table E.2 Workforce attachment of employed mothers before birth^a

	<i>Less than 10 hours a week</i>	<i>10 hours or more</i>	<i>Total</i>
	%	%	%
Employees with			
12+ months in employment ^a	3.8	96.2	100.0
less than 12 months	11.1	88.9	100.0
Self employed (all periods of tenure)	19.5	80.5	100.0
All employed	6.3	93.7	100.0

^a Relates to the 12 months prior to the birth of the child.

Source: LSAC wave 1.5 (questions apl01, apl21 and apl07).

Bringing the hours and tenure tests together

Of the around 281 000 mothers giving birth in 2007, around 173 000 were employed around the time of birth, and of these, 145 000 (around 84 per cent) would satisfy both the hours and tenure tests and, accordingly, would be eligible for paid parental leave under the Commission's scheme. So roughly, half of all mothers (52 per cent) would be eligible for the Commission's proposed paid parental leave scheme.

E.6 Employment type

In the Commission's proposed paid parental leave scheme, all those in paid employment meeting the hours and tenure test would be eligible for paid parental leave, with only unpaid family members contributing to a business not eligible. Nevertheless, the nature of employment affects whether:

- (i) an employee would be eligible for a superannuation contribution by their employer (if this feature is introduced following a review three years after the scheme's inception)
- (ii) an employer would be obliged to act as paymaster for the government
- (iii) an employee would be eligible for accrued leave entitlements while on paid parental leave (subject to this ever being a component of any future scheme).

Superannuation eligibility

Under existing requirements, employers must make superannuation contributions of a minimum of nine per cent of the employee's 'earnings base'. The earnings base is currently defined as an employee's ordinary time earnings, which, according to a recent draft tax ruling, includes privately negotiated paid parental leave (though the ATO has not yet released a final ruling).

An employer does not have to make any super contributions to employees aged under 18 years old *and* working with the business for less than 30 hours a week; employees to whom the business pays less than \$450 a month; those receiving payments under the Community Development Employment Program; and some contract employees.⁶ We have ignored these exclusions in modelling the possible impacts of a possible future employer obligation to pay super on statutory paid parental leave, as they would make very little difference to the numbers of parents eligible:

- people on CDEP are not counted as employed for the purpose of access to the Commission's paid parental leave
- women below 18 years old have low fertility rates
- given the Commission's eight hour employment requirement and the statutory requirement to pay the adult minimum wage rate for most employees, the typical

⁶ There are several other exclusions, but these involve small groups.

wages paid by a business to an employee eligible for the Commission's proposed scheme would be \$457 a month, already in excess of the \$450 threshold.⁷

However, the Commission's (contingent) proposal for employer superannuation contributions would have a narrower application than other mandated super obligations. An employee would not only have to be eligible for super contributions by their employer prior to taking up paid parental leave, but would also need to qualify for unpaid parental leave under section 67 of the proposed National Employment Standards (the Fair Work Bill 2008).

The National Employment Standards requirements include one year of continuous tenure for permanent employees. For a casual employee the position is more ambiguous. To have eligibility for unpaid parental leave under the National Employment Standards — and therefore access to an employer super payment under the statutory scheme — a 'casual' employee would need to meet two conditions. They would need to have:

- been engaged by the employer on 'a regular and systematic' basis for a sequence of periods of employment during a period of at least 12 months. For instance, a casual employee working regular shifts over a one year period would probably be eligible for unpaid leave under the National Employment Standards, while one with irregular earnings from month to month would not
- a reasonable expectation of continuing engagement by the employer on a regular and systematic basis (but for the birth or expected birth of the child, or the placement or the expected placement of the child). Evidence from the ABS suggests that around 95 per cent of casual employees had an implicit contract for ongoing employment, so this condition may be easy to meet.⁸

The case law regarding 'regular and systematic' engagement is complex, so that it is hard to establish how many casuals are, in effect, genuinely 'permanent' employees with the same rights to unpaid parental leave as other employees generally. And while the ABS periodically collects data on casual employees,⁹ these do not indicate whether the jobs involve regular hours or earnings, which is the determining test for access to unpaid parental leave entitlements.

⁷ That is $8 \times \$14.30 \times 4$. However, it should be noted that in some instances, employees might work for several businesses, meeting the employment test proposed by the Commission, but earning less than \$450 with any given employer.

⁸ ABS (*Forms of Employment, Australia, November 2007*, Cat. no. 6359.0, April, p. 31).

⁹ The ABS has two definitions: those not able to access paid leave entitlements; and employees nominating themselves as casuals.

PaETS nevertheless sheds some light on this issue as it asks the main reason why an employee did not take unpaid maternity leave, with one of the answers being ‘not available/not offered by the employer’. Of those employees who met the 8 hours work test and who were with their employer for one year or more prior to birth, around 18 per cent were casual workers (where casual is defined as an employee not having access to paid leave entitlements). Of those casual workers, 17.9 per cent say that their employer did not offer unpaid maternity leave. These employees would not be eligible for super contributions paid by employers under the Commission’s proposed scheme because they would not be eligible for unpaid leave. These results suggest that only around 3 per cent of employees with one or more years of workplace tenure and undertaking an average of 8 hours work a week would be ineligible for superannuation contributions from their employer.¹⁰

The Commission has proposed that employers act as paymasters for those employees who are eligible for the statutory paid parental leave scheme *and* who are eligible for unpaid parental leave under the National Employment Standards. With a few exceptions, those employees able to access superannuation under the above rules and those who would initially be receiving their paid parental leave entitlement through the employer would be the same. The main exceptions are that employers would sometimes have to act as a paymaster for juniors working under 30 hours a week and for very low paid employees, even though these do not qualify for employer superannuation contributions. (In fact, few of these would meet the eligibility conditions for unpaid leave under the National Employment Standards and the Commission’s proposed paid parental leave scheme.)

The other implication of the above analysis is that some women eligible for statutory paid parental leave would not meet the requirements under the National Employment Standards to qualify for unpaid parental leave. These mothers (some 25 000 in number and around 18 per cent of those on statutory paid parental leave) would not get a job return guarantee. (The Commission has not investigated the complex issues concerning who should get a job return guarantee in the National Employment Standards, as it involves issues well beyond those relating to a paid parental leave scheme.)

Eligibility for accrued leave entitlements

While the Commission’s proposal for a scheme excludes eligibility for paid leave entitlements, we have nevertheless modelled the costs were such eligibility included (appendix B). A person would only get access to such entitlements if they had access to paid leave entitlements already, had worked for the employer for at least a

¹⁰ That is 0.179 times 0.18 is around 3 per cent.

year and worked an average of ten hours a week over this period. Based on PaETS, around 70 per cent of *employee* mothers eligible for the statutory paid parental leave scheme would be able to access such entitlements.

E.7 Overall eligibility by mothers

Figure E.4 summarises the overall picture of eligibility by women for the different components of the Commission's proposed paid parental leave scheme. The chart shows estimates of the number of mothers in each category based on the latest data on confinements for 2007 (and also shows the share of total mothers).

Put simply, the results show that around half of all mothers would be eligible for paid parental leave. However, more importantly, this represents 84 per cent of all mothers in a job around the time of birth of their child.

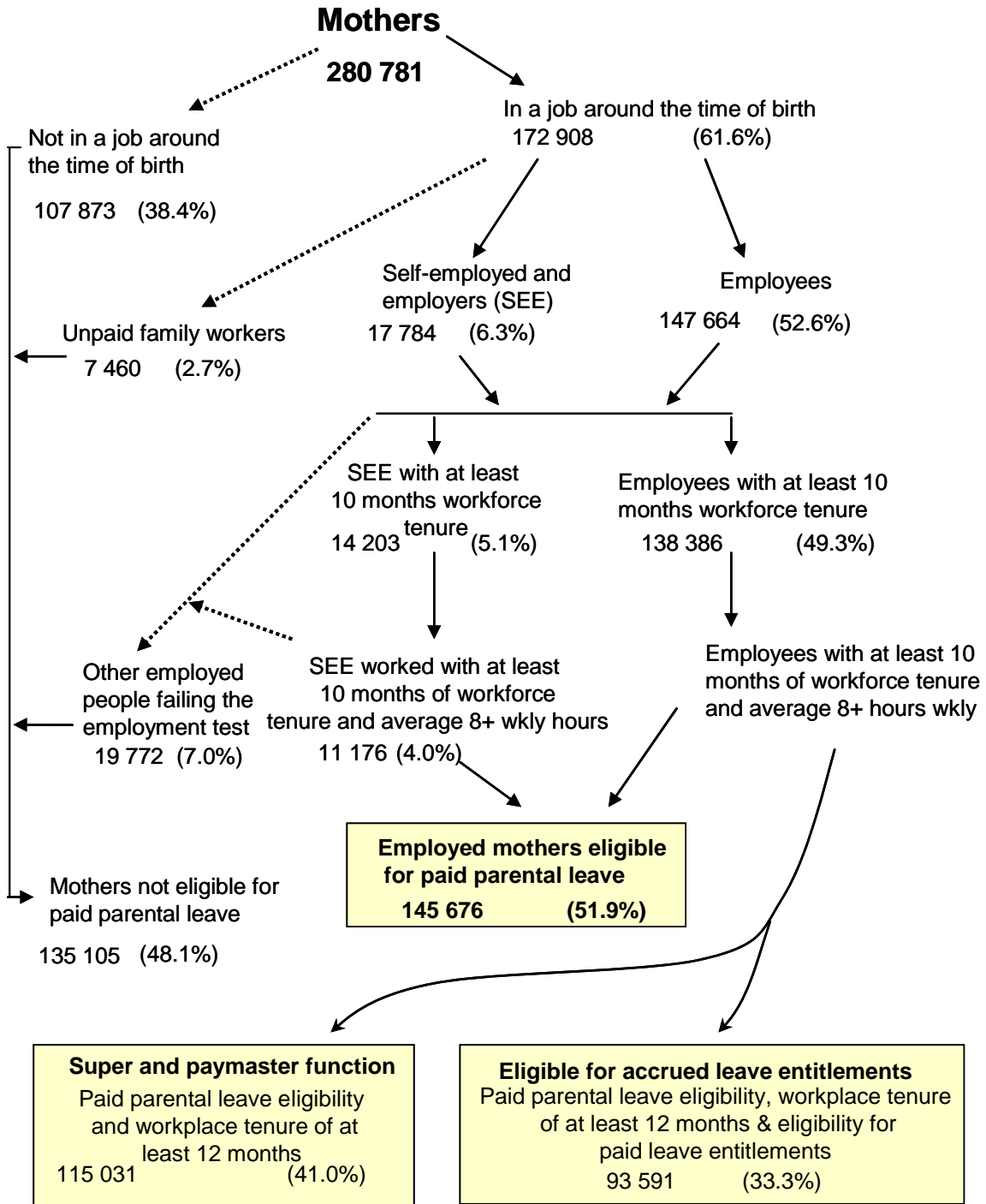
It should be emphasised that these estimates relate to the *opportunity* for participation in the scheme, not the *actual* level of participation, which will depend on parents' preferences and personal circumstances.

E.8 Eligibility of fathers

While fathers would receive different entitlements to mothers under the Commission's proposed paid parental leave scheme, the eligibility criteria are the same. While less is known about the characteristics of fathers' jobs around the time of birth of their children, it is still possible to estimate the number of fathers who would be eligible for the different elements of the Commission's proposed scheme (figure E.5). Overall, the estimates suggest that a larger proportion of fathers would be able to access *paternity* leave than mothers gaining access to parental leave. This reflects the higher employment rate of fathers prior to the birth of their child. (As discussed in the main body of the report and in appendix B on the costing of the scheme, it is likely that many men will not actually take statutory paternity leave even if they are entitled to it.)

However, men would only be able to access *parental* leave if he and the mother were both eligible for participation in the statutory paid parental leave scheme, and if she gave consent. Accordingly, the overall share of fathers able to access parental leave will be smaller than the share of mothers able to do so.

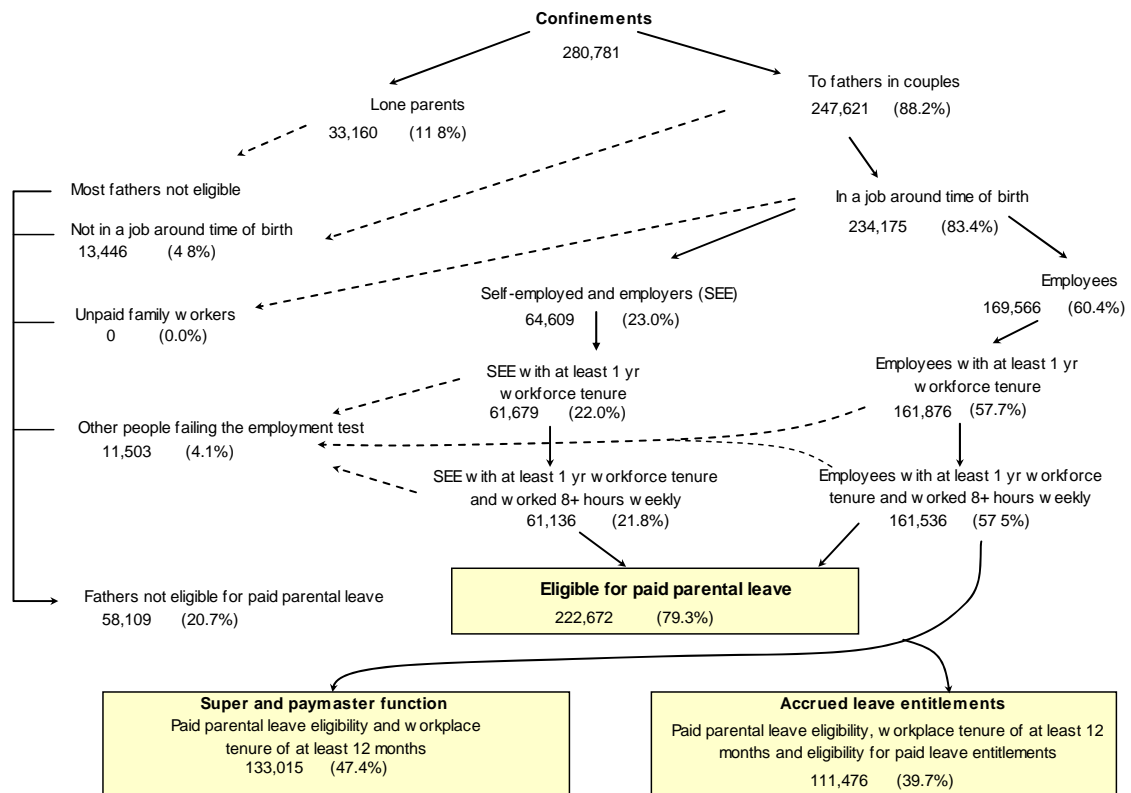
Figure E.4 **Mothers' eligibility for the Commission's paid parental leave scheme^a**



^a Shares are of total mothers giving birth in 2007. The total number of mothers does not make an adjustment for multiple births. The dashed lines indicate groups of mothers (worked out residually) who would not be eligible for statutory paid parental leave.

Data sources: Productivity Commission estimates based on LSAC and PaETS.

Figure E.5 Eligibility of fathers for paid paternity and parental leave^a



^a The shares shown are of total estimated fathers. The dashed lines indicate groups of fathers (worked out residually) who would not be eligible for statutory paid parental leave.

Data sources: Productivity Commission estimates based on PaETS; ABS 2007, *Labour Mobility*, February 2006, Cat. No. 6209.0; and ABS 2008, *Employee Earnings, Benefits and Trade Union Membership, Australia*, August 2007, Cat. No. 6310.0, released 14 April; and ABS 2008, *Australian Labour Market Statistics*, Cat. No. 6105.0, October.