

Thursday, 22 August 2024

Paid Parental Leave changes good for women and the economy

The ACTU welcomes the Albanese Government's introduction into Federal Parliament of legislation to deliver its promised boost to the Paid Parental Leave Scheme.

The legislation will ensure that superannuation is paid on all Government Paid Parental Leave from 1 July 2025.

The payment of super for those on Paid Parental Leave was announced in March alongside the launch of the National Strategy for Gender Equality.

Australian unions campaigned for the measures because of the need to improve women's workforce participation and retirement incomes. On average, women retire with about 25 per cent less super than men.

Time out of the workforce caring for children is a key driver of this gap. Paying super on Government PPL will reduce the impact of parental leave on retirement incomes.

Quotes attributable to ACTU President, Michele O'Neil:

"Today we're another step closer to gender equality and improving women's economic security.

"Women make up the majority of primary caregivers in this country, leading to what has been referred to as 'the motherhood penalty', where they face greater economic insecurity because of time out of the workforce to care for children.

"Women with children face an average 55 per cent drop in earnings in their first five years of parenthood.

"The effect of lower income compounds over time, increasing the gap between men and women's superannuation balances at retirement with women retiring with around 25 per cent less super than men.

"Paying super on Paid Parental Leave is an important step to reducing the gendered gaps in retirement savings.

"We welcome Social Services Minister Amanda Rishworth introducing this important change campaigned for by unions and we urge the Federal Parliament to quickly pass it into law."

ENDS

Media contact: Luisa Saccotelli 0400 149 901