

PPL and what one law firm is doing to prepare, 20 October 2010

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After many years of lobbying, consultation and often strident discussion, Australia finally has a government-sponsored paid parental leave (“PPL”) scheme. The PPL will commence on 1 January 2011. This gives organisations that have not yet worked out how they will manage the scheme less than three months to update their policies, review their procedures and payroll systems, and brief staff and managers about their rights and responsibilities. Barbara Holmes — Director of Managing Work|Life Balance International suggests that before addressing these issues, and highlighting what some organisations are doing, it is important to re-emphasise the importance and significance of this legislation.

Until the advent of this legislation, which was passed on the 17 June 2010, Australia was one of only two Organisation for Economic Cooperation and Development (OECD) countries without a statutory paid parental leave scheme in place. This legislation is the culmination of many years of research, campaigning and lobbying of both of the main political parties, by a variety of support groups.

In a paper by Marian Baird, Professor of Work and Organisations¹ at the University of Sydney, she states that — “despite thirty years of campaigning for improved maternity leave policies in Australia, there remains a need to understand better the process and factors which have led, on occasions, to the successful negotiation of parental leave in Australia. Baird et al (2002) first argued that despite considerable movement in paid maternity leave policies in other countries there had been a ‘pregnant pause’ in the provision of paid maternity leave in Australia and enterprise bargaining had not generated significant improvement in the provision of paid maternity leave. As a result, and in the absence of government provision or extensive business case justification, the majority of female employees had no access to paid maternity leave”.

In the early 2000s we started to see increased numbers of organisations such as IBM, Westpac, Lend Lease, Blake Dawson and Waldron and AMP introduce their own PPL schemes. These schemes were, and continue to be, viewed as an essential part of an organisation’s attraction and retention strategy.

One organisation that was an early adopter of the PPL scheme is Middletons lawyers.

Middletons

Middletons is a full service commercial law firm with offices in Melbourne, Perth and Sydney. The firm employs 300 lawyers (a high proportion of whom are women) and over 200 non-legal staff. Key components of their strategy to attract and retain qualified staff are the PPL scheme and the provision of flexible work arrangements. Middletons has consistently focused on ensuring that their policies and initiatives are not only in line with other professional services firms, but wherever possible, lead the way in best practice initiatives.

Some four years ago, Middletons carried out an extensive review of what other professional firms in Australia and overseas were doing to assist staff whilst on parental leave and when they returned to work. They also collected the views of their partners and staff to gain a better understanding of the issues that managers and team members needed to address when a staff member was on parental leave. Coincidentally, another project running at the same time focused on the issues of managing flexibility within the workplace. Not surprisingly, it was found that many of the issues were interrelated. The subsequent proposal and business case submitted to the Executive contained the recommendation to increase the firm’s paid parental leave allocation to 14 weeks for all staff and to remove some of the previous restrictions on who could access PPL.

Since the review in 2006, the PPL scheme has consisted of 14 weeks paid leave for any primary care giver (female or male) who has worked with the firm continuously for a 12-month period. The initial payment equates to 10 weeks leave, which can be taken at full or half pay. The remaining four weeks are paid when the employee returns to work. A number of employees who have used the current scheme have commented that the four-week salary payment when they return to work has been particularly useful in covering some of

the “return to work costs”, especially when they may not have had to pay for childcare previously and need cash in their first few months as a working parent. Secondary carers are entitled to two weeks paid leave.

Partners at the firm are entitled to 16 weeks leave on full pay if they are the primary carer and two weeks if they are the secondary carer.

Tracey McDonald, Director of Human Resources at Middletons says that: “With the introduction of the government scheme in January 2011, our paid leave policy will remain unchanged and those eligible under the government scheme will be able to access both the government benefit and the Middletons benefit. We are in the process of communicating this to staff and have the access links on the government scheme up on our intranet.”

In addition to paid leave, Ms McDonald indicated that the firm has a Keeping in Touch Program. This enables staff on leave to access and attend developmental programs, team meetings and other firm activities to keep up to date professionally and maintain contacts with their colleagues. Those on parental leave receive a mailout of firm news, the learning and development calendar and other workplace social and work information. This also facilitates an easier reintegration into the workplace when they return to work.

Most recently, Middletons launched the Childcare Information Kit (provided by Managing Work|Life Balance International) at a series of events for staff and their children. The firm held a competition for the children to draw pictures of where their parents worked which were displayed at the launch events. Many of the pictures were included as graphics within the Kit. These events not only created interest in this new resource, which has been placed on the intranet, but it also brought together parents and children from the many different groups within the firm. Ms McDonald said: “We had great participation from our people and their children in this launch initiative. It proved a unique way to promote our family friendly offering to everyone in the firm. The kit itself has had positive endorsement from parents and parents-to-be.”

A high percentage (80%) of lawyers return to work on some form of flexible work arrangement. This can be a combination of office and home-based work. As part of the work arrangement for the lawyers, budget responsibilities are adjusted to reflect any changes in hours. This is an issue for many law firms that struggle with finding equitable ways to adjust the financial targets of lawyers who work flexibly or who wish to return to work from an extended break and work reduced hours. At Middletons, the changes to staff hours are considered during the annual budgeting processes and the practice group budgets are adjusted wherever possible.

Currently the firm has four partners and 20 senior associates that work less than full-time. Ms McDonald expects this number to grow in the next couple of years as they focus their efforts on increasing the number of female partners and attracting and retaining talented lawyers.

About the author

Barbara Holmes is the Director of Managing Work|Life Balance International — one of Australia’s leading consultancies in the area of work/life balance and flexible work arrangements. Much of Barbara’s work involves working with managers and employees in client organisations to create change in the workplace, enabling business to thrive and employees to achieve the balance and career goals to which they aspire. Barbara has worked extensively in Australia and around the Asia Pacific region, providing advice, consulting support and a range of practical tool kits and resources to government and private sector organisations.

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For more information, please see: www.worklifebalance.com.au

Footnotes

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Baird M, Frino B and Williamson S, 2009, "Paid Maternity and Paternity Leave and the Emergence of 'Equality Bargaining' in Australia: an Analysis of Enterprise Agreements, 2003-2007", *Australian Bulletin of Labour*, 35(4), pp. 671-91.