

Westpac — adding value to its PPL offering, 25 October 2010

[Click to open document in a browser](#)

With the advent of the new Paid Parental Leave (“PPL”) legislation, there is now considerable focus on *how* organisations will implement this alongside their existing policies and practices and add value to their current offerings. Barbara Holmes, Director of Managing Work|Life Balance International, who recently interviewed Westpac says that “Westpac Bank has long been one of the leaders in delivering initiatives that assist staff to better balance their work/life responsibilities”.

As part of its overall Diversity Strategy, Westpac announced that it will pay up to 39 weeks in employee superannuation contributions while the employee is away from work on parental leave. Eligible male and female employees will receive superannuation contributions of 9% of their base salary — paid as a lump sum amount. This is a significant step forward in addressing one of the disadvantages that the primary carer experiences when they need to take extended leave for the birth or adoption of their child.

Rachel Slade, Head of Diversity & Flexibility, Group Human Resources at Westpac, says: “This innovative step to pay superannuation on unpaid parental leave has been crafted from our strong belief that our employees should not be financially disadvantaged in retirement, or for taking time out of the workforce for their family.”

The initiative is particularly important because the average woman today on retirement has just \$45,000 in superannuation, compared with the average male who has \$130,000. Women who take career breaks to have children have around 26% less in their superannuation than women who do not. Internal research carried out at Westpac has shown that 2,300 employees take some kind of parental leave in any given year. Of those, 1,750 will take unpaid parental leave and will benefit from the new initiative. A very high percentage (84%) of people return to work at Westpac upon completion of their parental leave and it is estimated that this initiative will be worth an additional \$72,000 at retirement to an employee earning \$55,000 per annum who takes two periods of parental leave from the age of 28. “By paying these additional superannuation contributions, Westpac will help make a difference to our employees’ retirement savings and continue to retain the very best talent in this organisation”, Ms Slade says. Furthermore, she indicated that as a responsible bank they must continue to set a high benchmark for the industry. Ms Slade went on to say that they recognise “the importance and value of family friendly work conditions and that the bank has a responsibility to put diversity principles into practical offerings that benefit the lives of their employees”.

Westpac provides 13 weeks paid parental leave. The parental leave policy has recently been enhanced to allow an automatic right to two years parental leave for the primary care giver of a child. Complementing the PPL and superannuation initiative, other Westpac benefits include:

- 13 weeks leave (but not taken at the same time), where both parents work at Westpac
- flexible payment of leave to suit staff, ranging from one day a week to a lump sum, and
- no qualifying period to access the leave (ie it is available to all employees from the first day of their employment).

Staff who are eligible to receive the government-funded PPL benefits will continue to receive their paid leave entitlements from the bank.

In addition, primary caregivers can request to return to work on a part-time basis until their child reaches school age. Other flexible work arrangements that are available include:

- working from home
- condensed hours
- job share arrangements
- variation to hours of work, days of work or place of work
- purchased leave, and
- use of sick leave for medical appointments.

When returning to work, staff can access support programs for mothers and fathers on the opportunities and challenges they face. Westpac employees can also apply for a childcare place at any one of three Westpac Group-owned workplace childcare centres. They can also access Universal childcare centres, some of which are located close to major Westpac Group worksites.

Ms Slade says that Westpac's approach to parental leave and workplace flexibility works because they have emphasised the importance of:

- mutual responsibility for the success of any arrangement (ie it must be a "two-way street")
- "give and take" within the arrangement so that the rights and needs of both parties are respected and genuine efforts are made to meet them
- employers not taking for granted the employment relationship and overlooking the implicit imbalance of power between employer and employee
- underpinning flexibility with security of rights and conditions which might otherwise lead to unsustainable practices
- building the confidence of all parties, and ensuring that their rights are properly defined, protected and enforced, and
- ensuring that there is a mutual flow of benefit — which everyone is aspiring to achieve.

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.

Barbara can be contacted on telephone number 1300 131 126.

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