

Parental Leave Calculator

The parental leave calculator provides a measurable framework for practices to assess the cost and returns associated with parental leave entitlements.

The diagram below is a suggestion of how a practice could tailor a spreadsheet to calculate the costs and financial returns on investments in Parental Leave payments

Staff Forecast

- Review your staff structure and forecast who may potentially be taking leave in the coming year.

Compare this against the past few years and assess whether any averages emerge to allow a more holistic assessment.

Paid Leave

- Review and assess how many weeks your practice can budget for.

Long Service Leave

- If relevant, assess the long service leave entitlements.

Staff Replacement

- Consider the likelihood of staff leaving if your practice starts to fall behind the industry's parental leave entitlements. What are the costs of replacement?

A simple formula could be the recruitment fee to replace staff at the same level.

Superannuation Deductions

- Super is an expense deducted from your practice income. Understand what the tax savings are and deduct that from the cost of providing super.

Total Return on Investment

- Deduct your costs from your returns to understand the measurable return on investment for your business case.

Parental Leave Financial Calculations

Employee				COSTS										Total	
Carer	Position	Salary	Weeks of Leave	Paid Leave		Superannuation		Long Service			Childcare				
				Weeks	Subtotal	Rate	Subtotal	Rate	Hrs/week	Days	Subtotal <small>Note: estimate of costs</small>	Rate	Weeks		Subtotal
Primary Carer	Associate	\$ 130,000.00	52	12	\$ 30,000.00	9.5%	\$ 12,350.00	0.867	37.5	32.5	\$ 11,579.79	\$ 150.00	52	\$ 7,800.00	\$ 61,729.79
	Senior	\$ 100,000.00	52	12	\$ 23,076.92	9.5%	\$ 9,500.00	0.867	37.5	32.5	\$ 8,907.53	\$ 150.00	52	\$ 7,800.00	\$ 49,284.46
	Architect	\$ 80,000.00	52	6	\$ 9,230.77	9.5%	\$ 7,600.00	0.867	37.5	32.5	\$ 7,126.03	\$ 150.00	52	\$ 7,800.00	\$ 31,756.80
					\$ 62,307.69		\$ 29,450.00				\$ 27,613.36			\$ 23,400.00	\$ 142,771.05
Secondary Carer	Associate	\$ 130,000.00	4	4	\$ 10,000.00	9.5%	\$ 950.00	0.867	37.5	2.5	\$ 890.75	\$ 150.00	0	\$ -	\$ 11,840.75
	Senior	\$ 100,000.00	4	4	\$ 7,692.31	9.5%	\$ 730.77	0.867	37.5	2.5	\$ 685.19	\$ 150.00	0	\$ -	\$ 9,108.27
	Architect	\$ 80,000.00	4	4	\$ 6,153.85	9.5%	\$ 584.62	0.867	37.5	2.5	\$ 548.16	\$ 150.00	0	\$ -	\$ 7,286.62
					\$ 23,846.15		\$ 2,265.38				\$ 2,124.10			\$ -	\$ 28,235.64
															\$ 171,006.69

Superannuation

- If relevant, assess out the superannuation relevant to the staff forecast.

Childcare

- Understand the current market rates for childcare and decide what your practice is willing to contribute and for how long.

RETURNS										TOTAL ROI	
Staff Replacement		Staff Training		Super Deduction	Additional Work Day <small>Due to childcare subsidy</small>				Total		
Recruitment Fee	Subtotal	Weeks	Subtotal	Formula???	Hourly Rate	Hr/week	Weeks	Fees	Factor		Subtotal
18%	\$ 23,400.00	6	\$ 65,000.00		\$ 300.00	7.5	52	\$ 117,000.00	0.3	\$ 35,100.00	\$ 123,500.00
18%	\$ 18,000.00	5	\$ 41,666.67		\$ 250.00	7.5	52	\$ 97,500.00	0.3	\$ 29,250.00	\$ 88,916.67
18%	\$ 14,400.00	4	\$ 26,666.67		\$ 200.00	7.5	52	\$ 78,000.00	0.3	\$ 23,400.00	\$ 64,466.67
	\$ 55,800.00		\$ 133,333.33	\$ -						\$ 87,750.00	\$ 276,883.33
18%	\$ 23,400.00	6	\$ 65,000.00		\$ 300.00	7.5	0	\$ -	0.3	\$ -	\$ 88,400.00
18%	\$ 18,000.00	5	\$ 41,666.67		\$ 250.00	7.5	0	\$ -	0.3	\$ -	\$ 59,666.67
18%	\$ 14,400.00	4	\$ 26,666.67		\$ 200.00	7.5	0	\$ -	0.3	\$ -	\$ 41,066.67
	\$ 55,800.00		\$ 133,333.33	\$ -						\$ -	\$ 189,133.33
										\$ 466,016.67	\$ 295,009.98

Staff Training

- Does your practice know how many weeks it takes for new staff to be trained and productive?
- What is the cost saving to your practice if this can be avoided?

Additional Work Day

- If you commit to paying a day of childcare a week, which allows the staff member to return to work an extra day a week, what is the billable hours generated for the company? Apply your loading factor to understand what this could mean in profit terms.