



09 December 2013

Committee Secretary
Senate Standing Committee on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

By email: community.affairs.sen@aph.gov.au

Dear Secretary

Social Services and Other Legislation Amendment Bill 2013 – Paid Parental Leave

The Institute of Public Accountants (IPA) wishes to make the following submission with respect to the above matter.

The IPA is a professional accounting body representing over 24,000 members and students. Our members work mainly in accounting practices, industry and commerce, the not-for-profit sector and across all levels of government. The IPA has a dedicated focus on small business and SMEs, recognising the highly significant contribution these sectors make to the Australian economy. Approximately two-thirds of our members either advise or work in small business and SMEs.

The IPA welcomes the proposed amendments contained in the Social Services and Other Legislation Amendment Bill 2013 (Schedule 7) to the *Paid Parental Leave Act 2010*.

The IPA, in its pre-Budget submission 2011-12, advocated for the position which is now being proposed in the Bill. We have also supported the position of the Council of Small Business of Australia (COSBOA) on this issue. I have recently been elected as Chair of COSBOA.

The IPA has strongly advocated in the past that government funded payments under the scheme should be made direct to eligible employees by the government (through the most appropriate department or agency such as the Dept of Human Services as proposed) and not be forced upon employers to make the payments. We have also advocated that employers should be able to opt in to the scheme, with the agreement of the employee.

Our concern has always been that the mandatory requirement under the scheme imposes yet another compliance burden on small business and one which provides no discernible value to either the employer or employee. We disagree with the reason which was initially provided that it is a way of maintaining a link between employer and employee. We believe that the parties should be free to apply their own arrangement and at their own discretion.

We acknowledge that the cost of \$7.0 million over five years to implement the amendments is more than offset by savings outlined in the Bill relating to other measures.

Yours sincerely

Andrew Conway FIPA
Chief Executive Officer
Institute of Public Accountants

National Office