



THE HON TANYA PLIBERSEK MP
MINISTER FOR SOCIAL SERVICES

MB26-000215

Senator the Hon Sue Lines
President of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear President

I am writing to advise you that the Government responded to the recommendations of the Senate Community Affairs Legislation Committee's report on the *Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022* by moving a motion in the Senate on 6 March 2023.

I have enclosed the relevant extract of the Hansard from 6 March 2023.

Yours sincerely

TANYA PLIBERSEK

25.3.2026

Monday, 6 March 2023

The **PRESIDENT (Senator the Hon. Sue Lines)** took the chair at 10:00, made an acknowledgement of country and read prayers.

DOCUMENTS

Tabling

The Clerk: I table documents pursuant to statute and returns to order as listed on the Dynamic Red.

Full details of the documents are recorded in the Journals of the Senate.

COMMITTEES

Meeting

The Clerk: Committees have lodged proposals as follows:

Foreign Affairs, Defence and Trade—Joint Standing Committee—

private meetings otherwise than in accordance with standing order 33(1)—

Tuesday, 7 March 2023, from 5.30 pm.

Thursday, 9 March 2023, from 11.30 am.

private meetings otherwise than in accordance with standing order 33(1) and public meetings on Wednesday, 8 March 2023, from 9 am and from midday.

Intelligence and Security—Joint Statutory Committee—private meetings otherwise than in accordance with standing order 33(1) and public meetings—

from midday, on Tuesday, 7 March and Wednesday, 8 March 2023.

from 3.30 pm, on Thursday, 9 March 2023.

Legal and Constitutional Affairs Legislation Committee—private meeting otherwise than in accordance with standing order 33(1) today, from 3 pm, for the committee's inquiry into the Migration Amendment (Evacuation to Safety) Bill 2023.

Treaties—Joint Standing Committee—private meetings otherwise than in accordance with standing order 33(1) and public meetings, from 11 am, today and on Monday, 20 and 27 March 2023.

The PRESIDENT (10:02): I remind senators that the question may be put on any proposal at the request of any senator.

BILLS

Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022

Second Reading

Consideration resumed of the motion:

That this bill be now read a second time.

Senator RUSTON (South Australia—Manager of Opposition Business in the Senate) (10:02): I'm very pleased to stand today to speak on the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022. The opposition will be supporting this bill for a number of reasons, and we are glad to see the government has chosen to implement the former coalition government's reforms to paid parental leave which we announced as part of our March 2022 budget. The bill will provide increased flexibility, improve choice and ensure the Paid Parental Leave scheme is fit for purpose for modern families.

The bill increases the total number of weeks of available paid parental leave from 18 to 20 and removes some of the constraints around the two-week period of dad and partner pay and the 12-week/six-week paid parental leave period breakdowns currently in place. We understand the importance of these changes because we know parents make household decisions around caring arrangements to reflect their own personal circumstances, so increasing the number of weeks from 18 to 20, with enhanced flexibility on how those weeks can be shared, reflects this need for choice and flexibility in modern households. It is also important both parents are able to spend the time they choose to spend with their new child, and the increased flexibility encourages both parents to have a period of leave.

The bill removes the notion of primary, secondary and tertiary claimants, taking away some of the rigidity that exists—about who takes the leave, when and how—between the two parents. This bill also expands access to the scheme by introducing a \$350,000 income test, which will ensure household income is considered when determining eligibility for PPL, rather than just the individual income of one of the two parents. We strongly support the increased flexibility this bill achieves, which allows parents to use the leave over a two-year period in a way they

christening and family celebration. It's been a really busy year. It is really a time when you look back and think about those first couple of weeks, those first couple of months, and how important that time is together. When you have a new, little baby, it is an incredibly stressful time, and you want to spend all of your time with this new, perfect human. You don't really want to have to worry about going back to work.

I'm incredibly lucky, and my family is incredibly lucky, that my wife works in a heavily unionised industry with a very good enterprise agreement which already allowed for flexible parental leave arrangements, meaning that she could take maternity leave while also having days that she could return to work. I think it's that open employer-employee relationship that allowed her to stay connected to her colleagues and her role that really made transitioning back to work easier. This transition option helped ease both my, and my wife's, mind in such a new and vulnerable position. I'm so grateful. Some families don't get that opportunity.

People will tell you, time and time again, that babies are only little once and that time spent with these little, tiny humans is so important. It's so important for mums. It's so important for dads. It's so important for every type of family. Most of the time, though, it is mothers who are left without that work connection, deepening the economic gap between men and women in our country. That's why this reform is so important.

We have also heard this, time and time again, across the country, particularly at the jobs and skills roundtables I held in Far North Queensland last year. We held forums in Mareeba, Cairns and Townsville. The No. 1 thing that was coming up was women returning to work—how difficult it was to get childcare places but also how difficult it was to manage the transition between paid parental leave and returning to work. I had women tell me that, even though they were the larger income earner, the system worked against them, making them take leave instead of their partner. We heard it again in the successful national Jobs and Skills Summit our government held last year. We listened and we are acting.

Right now, the current scheme does not do enough to provide access to all parents, whether they're mothers or whether they're partners. It limits flexibility for families to choose how they take leave and transition back to work. The eligibility rules are unfair to families where the mother is the higher income earner. Our bill fixes these issues. It gives more families access to government payments, it gives parents more flexibility in how they take leave and it encourages parents to share care to improve gender equality.

From 1 July 2023, the bill delivers six key changes. It will combine the two existing payments into a single 20-week scheme. It will reserve a portion of the scheme for each parent to support them both to take time off after the birth or adoption. We will make it easier for both parents to access the payment, by removing the notion of primary and secondary carers—which, I have to say, in a same-sex relationship is something that's quite interesting. But it's a really helpful idea that not one parent is the primary carer because we know both parents play an incredibly important role. We're expanding access by introducing a \$350,000 family income test, which families can be assessed under if they exceed the individual income test. We are increasing flexibility for parents to choose how they take leave days. We are also allowing eligible fathers and partners to access the payment irrespective of whether the birth parent meets the income test or residency requirements.

This bill goes a long way for Australian families. Around 181,000 will benefit from the changes in this bill. That's including more than 4,000 people who are eligible under the scheme. While the former government had an attitude of 'let's make some announcements just before the election', the Albanese Labor government are listening to Australians, and we're delivering this change in our first term of government.

We are listening to businesses who are also crying out for these changes to support their employees, including the women in their workplaces. We are fixing and improving our systems that just aren't functioning the best way they can. We want Australians and their families to get ahead and not be left behind. We want parents, especially mums, to have good, secure jobs and families, and not to have to choose between work and taking care of their kids. That's what this bill will achieve.

The changes in this bill send a clear message that treating parenting as an equal partnership supports gender equality. Our government value the care that men do as well, and we want to see that reinforced in workplaces and our communities. When fathers take a greater role from the start, it benefits mums, dads and their kids. We know this and we know that there are so many fathers out there that will really welcome the introduction of this scheme. The government's Paid Parental Leave reform is good for parents, it's good for kids, it's good for employers and it's good for the economy.

I couldn't be prouder to be part of an Albanese Labor government, with its ambitious yet practical reforms that will change the lives of Australians for the better. It will particularly change the lives of Australian women for the better. It's always Labor governments that bring the country forward. It was a Labor government that introduced Paid Parental Leave back in 2011, and it's a Labor government that is today delivering a fairer and more flexible scheme.

and partners, will not be enough to provoke that deep cultural shift towards shared care that we need, so we would like to see a significant expansion of the 'use it or lose it' allocation. The Women's Economic Equality Taskforce is, I understand, looking at this issue at the minute, and we very much look forward to seeing its recommendations implemented sooner rather than later.

'Use it or lose it' provisions must be supported by campaigns to educate families about the benefits of shared care, incentives for employers to encourage both parents to take leave, flexible working initiatives to support juggling care responsibilities, and more affordable and accessible early childhood education and care. When I say more affordable and accessible, I mean free early childhood education, no matter where you live. That's the kind of revolution that we need to have equality in the workforce. Critically, Services Australia also needs to ensure that its staff are trauma informed and able to identify and respond to coercive behaviour, where abusive partners attempt to use the increased PPL flexibility as yet another weapon of control.

We also support measures in the bill allowing partners to take leave, even where the birth parent does not meet the income or residency tests. This is a welcome extension of eligibility. However, the inflexible work and residency tests remain a barrier. The bar is too high and too rigid, and too many people are missing out. It's important that all families are supported to take leave in the early years of parenthood, regardless of their circumstances. My colleague Senator Faruqi will be moving an amendment to close a gap that prevents postgrad students from accessing PPL.

I want to talk briefly about the rate of paid parental leave—sadly, yet another area where Australia has fallen behind other countries. It's currently set at the woefully inadequate minimum wage—a rate which we believe should be raised for everyone, and of which, I might add, women are disproportionately the recipients. It's set at that woefully inadequate minimum wage, and, as no surprise, it is now one of the lowest rates of paid parental leave in the OECD. Parents taking leave to care for kids marks a significant break in their career and their earning capacity. Women who take leave often return at reduced hours, defer promotions and reduce their overall retirement income. Replacement wages ensure that parents are not financially punished for taking time to care for their children. Higher rates of pay would also encourage shared care. Leave paid at well below normal wages forces families to make difficult decisions about how long they can afford to take leave for and who takes it. Without a change in the payment rates, parental leave will continue to be taken by the partner earning the lower wage, and, more often than not, sadly, this is still the woman. The Greens will continue to call for the rate of PPL to be increased to replacement wages, capped up to \$100,000 per year, but we also note alternative models proposed by witnesses to the inquiry into this bill, including lifting the rate to the average wage, applying a livable wage or encouraging employers to top up government payments. The Greens urge the government to invite the Women's Economic Equality Taskforce to review the options for a PPL payment rate that will incentivise parents to take their leave entitlements.

Finally, we know that periods of parental leave and part-time work on return from leave have been a contributor to the superannuation pay gap. A gap in super earnings for parents taking leave compounds over time and can result in that parent—mostly women—being around \$20,000 worse off in retirement. We do have a retirement income gender gap, and this is part of the reason why. It has been a longstanding policy of the Greens, of unions and of women's economic security advocates to pay superannuation on paid parental leave. This has also previously been a policy of the Labor Party. As far as gender equality measures go, it's a no-brainer, yet it's not part of this bill. I will move a second reading amendment calling on the government to urgently reconsider that decision and include superannuation contributions on paid parental leave. I move the Greens amendment on sheet 1827:

At the end of the motion, add ", but the Senate:

(a) acknowledges:

(i) the persistent gender superannuation gap that sees women retire with significantly less in retirement funds than men, and

(ii) that superannuation is paid on leave entitlements other than parental leave; and

(b) calls on the Government to address this inequity and apply the superannuation guarantee to paid parental leave entitlements".

Overall, this bill is a positive step towards fairer paid parental leave, but, as I said, it's a baby step. There are equitable measures which could be taken to align Australia's Paid Parental Leave scheme with world's best practice now, rather than waiting for later. As one of the wealthiest nations on the planet, we should be able to give all working parents and their children the quality care and early childhood education that they need. The families of Australia deserve it.

In closing, I'll make this point: Why are we making women wait three more years for 26 weeks when, internationally, many other comparable nations already have 52 weeks? Why are we again making women wait for their slice of the pie when this government has \$246 billion in revenue that it is choosing to give to the very wealthy in the form of those stage 3 tax cuts that former Prime Minister Morrison proposed. You can't cry poor and yet dish

reforms. There are also dozens and dozens, if not hundreds, of business leaders in large businesses and small ones who not only have made the case for broader policy reform but have made changes in their organisations to set out better parental leave entitlements for women and men, for young parents, not only because they want to make their firms employers of choice in an increasingly competitive labour market but also because those business leaders have listened carefully to the debate from the academic community, to the international debate and to the trade union movement and have decided that leading the community debate is actually the right thing for them to do.

This is not the only community debate where the debate has been led by the trade union movement and by Australian business, and sections of this parliament have been left behind. In paid parental leave terms, the consensus across the economy and in the labour movement has certainly led this parliament to where it has got to. It has taken far too long for this set of reforms to come to the parliament.

I also want to make a few comments about the difference that this will make to young parents and to young people who are thinking about starting a family. They're thinking about their careers and their capacity as a couple—they need to work through the difficult choices—to support each other and their families and to make sure they have real career options in front of them. This set of reforms will ensure that workers and families are supported by the government when they make these decisions. So it will make a real difference in ordinary families' lives.

This reform is not just good for ordinary families; this reform is good for economic participation, productivity, economic growth and when we are dealing with some of the other significant challenges, particularly the different outcomes for women in the workplace and across their working lives. The gender pay gap is persistent. It has gone up and it has gone down, but it has persistently hovered around the mid teens for well over a decade. Most of the movements that have occurred in the gender pay gap over the last decade have really been a reflection of changes that have happened in men's wages. I've seen members of the previous government come in here fist pumping when the gender wage gap went down by a few decimal points. The difference to women's wages has always been as a result of diminished growth for men's wages, not as a result of serious policy reform.

Some of the decisions that this government took through last year have had some impact. The decision to support minimum wage increases has had some impact. Future decisions that are targeted towards workers in the care sector will have some impact on the gender wage gap. This set of reforms will allow more Australian women to develop careers and ensure their careers and connection with work continue, and that is a very good thing indeed.

I'm delighted to have an opportunity to make a small contribution to this debate. I know there are some amendments that are going to be brought forward over the course of today's debate. I just say that, from the government's perspective, this is a very important step forward; it is a very important set of reforms. The government is, of course, constrained in terms of what it can do, given the tight fiscal environment and the challenges in front of the country, in terms of the legacy we have been left by the previous government. I know those amendments will be agitated and developed—that is a welcome debate—but the government is constrained in terms of what it can do. This is a momentous, historic set of reforms that builds upon generations of struggle and advocacy and work. I want to use this small contribution to thank those people who have done that work.

Senator DAVID POCOCK (Australian Capital Territory) (10:41): I rise to speak on the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022. In doing so, I note the worthy and very welcome aims of this bill in assisting to close the gender pay gap and provide greater freedom to dads and partners taking time out to spend with their newborn children. It is important we get this right as there is a lot at stake, most importantly the wellbeing of the next generation. Research overwhelmingly shows the benefits of parents taking time out of work to spend time with their newborns. It's important for bonding but also for the mental health and wellbeing of parents. Throughout the committee process, I've also seen evidence of the wellbeing benefits for dads. These are the kinds of benefits we have the opportunity to promote through this bill.

More broadly, for our economy, we know we need to do more to lift women's economic participation. The National Skills Commission estimated that 1.2 million additional workers will be needed across the economy by 2026. A large majority of these roles will be in traditionally feminised industries such as those in the care economy. We are feeling those impacts even now as we look at the shortages of registered nurses available to enter the aged-care system. Modernising our paid parental leave scheme is one lever we can pull to help close the participation gap and, by extension, the pay gap. Deloitte recently reported more flexible ideas around gender norms could lead to an additional \$128 billion each year for Australia's economy and deliver 461,000 additional full-time employees into the economy. When we look across the world, there is ample research to show how tweaking PPL schemes can work to lift women's economic participation and close the gender pay gap. This bill presents a first step on that pathway.

There's plenty that's good about this bill. Firstly, the bill allows all paid parental leave days to be taken as flexible days. Allowing flexibility in how new parents manage care and work is a good thing for both parents and businesses.

shortages. In many small businesses, it's the owners of those businesses who have to step up and work extra hours to fill the gap.

This burden on small businesses will likely increase when, hopefully, we start paying super on Commonwealth PPL as well, and that means small business will be logging on to myGov, receiving money from the Commonwealth, withholding tax and sending it back to the ATO, processing super and then sending that on to the super fund—and doing this every pay cycle. None of these transactions involve any interaction between the business and the staff members other than a deposit of money and an emailed payslip, but the greater burden risks being a disincentive to employing women—the last thing we want to see with this legislation.

I have been frustrated to hear we shouldn't take action because it has always been a pain point. Clearly, just because something has always been broken doesn't mean it shouldn't be fixed. It's also frustrating to hear that we need to force small businesses to administer this payment as it will preserve their relationship with their employees. Small businesses are likely to be far closer to their employees than medium and large businesses. Often in small businesses your staff may also be family—if not technically, then in spirit. Some small businesses may want to administer the payment themselves, and that's fine. We should provide them with the option, recognising small businesses are as unique as the people that run them and require some flexibility. It is a small piece of red tape that we can start cutting today, and I hope the Senate will endorse my amendment.

I also want to join my colleagues across the chamber in urging the government to prioritise changes to extend super to paid parental leave. PPL is currently one of the only types of paid leave for which the superannuation guarantee does not apply. Paying super on PPL would significantly reduce the super gap between men and women. Currently, women retire with nearly 35 per cent less super than men, which is clearly unacceptable and something we need to address.

One last point I wanted to bring to the attention of the Senate is issues with how we are supporting foster and kinship carers. While this bill contemplates adoption, I want to note that adoptions are generally quite rare in comparison to the number of children in foster or kinship care. Foster and kinship carers are not entitled to PPL. It has been raised with me that the exclusion of foster and kinship carers from this type of leave actively discourages those carers from taking opportunities to welcome and settle often very vulnerable children into a new home environment, and we know how important those early years are for children. One of my constituents has seen the impact firsthand. She was able to take time away from work to spend with a child placed in her care, and she noted how it promoted steadiness in their relationship which endures today. She also experienced not being able to take time away with another child and experienced a placement breakdown as a result of this. She's raised this with me: 'To have those extra weeks to focus on the child, setting aside employment pressures, is invaluable to the child or young person to build bonds and attachments crucial to their development.'

While foster and kinship care is the domain of the states and territories, no payment is offered to help them take time out of their work. It seems to me that foster and kinship carers are falling between a gap in our federal, state and territory systems, and that more can and should be done to assist them in taking time out of work for the benefit of the child or the children they're looking after. I urge the government to consider this in more detail. I commend the bill to the Senate.

Senator WALSH (Victoria) (10:54): I also rise to speak on the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022, and I am really proud to do so, because paid parental leave is another strong and critical Labor legacy. We first implemented paid parental leave back in 2011, and today we are building on those strong foundations to modernise the scheme, to make it more flexible for two parents to provide care, and to consolidate the current entitlement—of 18 weeks parental leave plus two weeks partner leave—into a single 20-week scheme. It's a legacy that will improve the lives of Australian families.

Of course, there's more to come, because this is a first step in the Albanese government's plan to move to expand paid parental leave in Australia. We will bring forward more legislation, starting in July 2024, to phase in an additional six weeks, until we reach 26 weeks in 2026—a full six months of paid parental leave. This is the largest expansion of paid parental leave since we established the scheme more than 10 years ago.

These are the types of reforms that make me proud to be a Labor senator. These are reforms that we've laid the foundations for, that we protect, that we build on, that we sustain and that, over time, become entrenched and treasured parts of Australia's social and economic fabric. These are reforms that Labor governments get done—reforms like Medicare; reforms like the NDIS; reforms like quality, affordable education in the early years, and expanded access to TAFE and higher education. These are reforms that Labor governments deliver and that we deliver in a way that is sustainable in the long-term.

Paid parental leave is widely supported across the community, and this particular bill is supported by the ACTU and by the BCA and many other groups. And the bill is not controversial. In two-parent families, it provides each

increase the entitlement by a miserly two weeks a year until it reaches 26 weeks in 2026, a rate that is still well below the OECD average and below best practice.

At the jobs summit and the select committee on work and care, an inquiry that I've had the privilege of chairing over the last eight months, and at the inquiry in relation to this bill, Australians and organisations from across the country—parents, women, unions and employers—were united in a call for paid parental leave and for a greater increase. Indeed, the ACTU, whom Senator Ayres has referenced in his comments, calls for a pathway to 52 weeks. I urge the government to support our amendment to increase paid parental leave to 26 weeks immediately and to create a pathway to 52 weeks paid leave to bring Australia in line with international standards.

Women in our labour movement—Sally McManus, Michele O'Neil, many leaders—stand alongside and on the shoulders of this parliament as they push to ask for more, to play catch-up on this important workplace provision. I also call on the government to support the Greens amendment to add superannuation to parental leave. Recent data shows that women retire with much less, nearly a third less, savings in their super than men, and we know that periods of paid parental leave and part-time work on return from leave have been a contributor to this gap. Yet last week Katy Gallagher told Australian women that they need to wait longer until the budget can comfortably accommodate paying women's superannuation on top of parental leave.

We have costings that tell us that we could do this tomorrow for the sum of \$200 million. It's a small proportion of the budget, and it's something that will make a difference to many, many women in Australia. We don't have to wait. We can afford to do it now. It's time the government took action to reflect on its priorities and recognise that supporting women's economic equity is an overdue investment in the future of Australia. There's powerful evidence that improving paid parental leave in these ways will do many good things. It will increase women's participation in paid work. It will address skill shortages. It will increase GDP. It will improve children's development. It will improve relationships between couples and between kids and their parents. It has a very positive effect on men's health. It will help address gender inequality.

I want to finish with a story from the Select Committee on Work and Care inquiry. We heard from many individuals around Australia who look for a decent period of paid rest at the time of birth, with both parents looking for that kind of opportunity. We heard from Suvi, who lives in Sweden and has a 13-month-old daughter. Based on Sweden's parental leave policy, Suvi is planning to take a total of 16 months paid leave, and her partner is taking seven months paid leave. The first 390 days of that leave are generally paid at 80 per cent of a person's income, up to a cap.

Suvi said the best thing about this policy is that she won't be financially disadvantaged for caring for her child and can return to work part time. She has appreciated having that time after a very difficult birth; a start with her daughter; the chance to see her daughter grow and reflect on her life and work after a busy period through the pandemic; and to share that leave with her partner. She said that policies like this have created a family-friendly and caring-friendly culture in the workplace for both parents and at all levels of the workplace. This helps explain the much greater sharing of domestic work that we see over the life course in countries with good, lengthy periods of paid parental leave paid close to ordinary earnings and free child care, an arrangement which, together with paid parental leave, gives kids and their families a much better start, and is associated with a much narrower gender pay gap.

This is just the tip of the iceberg of benefits in countries like Sweden in terms of what they're paid parental leave policy delivers. At a work and care inquiry hearing, James Fleming, the Executive Director of the Australian Institute of Employment Rights, explained that Sweden's parental leave policy, along with affordable child care, has helped Sweden to achieve much higher rates of women's workforce participation and higher gender equality on many metrics than Australia. The institute calculated that, if Australian female labour force participation increased to match that of Sweden, overall labour force participation would increase by more than four percentage points, increasing GDP by at least six per cent, or as much as \$100 million.

Suvi's story and the broader equity and economic advantages Sweden's work and care system delivers is possible for countries like Australia. Those supporting increased paid parental leave—and they are many—know we can afford it. We can afford to increase the length of leave, and we can pay superannuation on it. Rather than give a \$9,000 tax cut to the very wealthy and each of the 227 politicians in this building through the stage 3 tax cuts, we can direct the \$254 billion to the parents and the kids who need it most. We should set aside those tax cuts and instead improve paid parental leave and take other measures that will help Australian families deal with the cost-of-living crisis, including providing free, quality, accessible early childhood education and care.

At the Jobs and Skills Summit, and through evidence presented to the work and care inquiry and to this bill, Australians and organisations from around the country, and parents, women, unions and employers, were united in the call for a paid parental leave increase and improvements for Australian parents, especially mothers. No-one

life, and it is a critical component of lifelong learning. It will enable women to pursue career opportunities and ensure they aren't held back because this essential service is too expensive or is not available.

Time out of the workforce and taking on more unpaid labour has significantly contributed to the gender pay gap in superannuation as well. By failing to pay super on parental leave, the government is increasing the risk that certain parents, particularly women, will retire into poverty. Women of colour are even further impacted because they tend to have significantly lower rates of workforce participation and are generally overrepresented in low-paid and insecure work. The Greens also support full wage replacement. Paying parental leave at the minimum wage is insufficient and discourages men, who are often higher paid, from taking parental leave. My colleagues Senator Waters and Senator Barbara Pocock will be moving amendments to fix some of these shortcomings of the government's Paid Parental Leave scheme.

I will turn now to a cohort of people who often fall through the cracks: PhD students. A key shortcoming of this bill is that PhD students are not included in the Paid Parental Leave scheme. Despite often conducting research on a full-time basis, they cannot access the same parental leave entitlements as other working parents. I will be introducing amendments to fix this. Currently, PhD students do not qualify for the scheme, as their activity is counted as study through a scholarship or other award of financial aid and therefore fails the test in the current Paid Parental Leave Act. I can think of no good rationale for excluding PhD students. As a PhD student who, years ago, had a baby while doing research and as a former academic who is passionate about the importance and necessity of research and supporting researchers, this matter is very close to my heart.

PhD students are currently eligible for a stipend from their university through the government's Research Training Program. However, the stipend is a measly \$29,863, well below the minimum wage. Universities have the option to top this amount up, but data on 189 universities shows that only 42 of them offer above the government's stipend, and none of them meet the minimum wage. In response to a written question on notice asked by Senator Waters during the Senate Community Affairs Legislation Committee's inquiry into the bill, the Department of Social Services advised:

The Paid Parental Leave scheme is intended to support working parents who have demonstrated an attachment to the workforce. The department said:

Should a PhD student undertake paid work in addition to their studies, such as tutoring at a university, this could count towards the work test.

This is completely unreasonable. It is unfair to expect that every PhD student in Australia have the opportunity to get paid work and the time to commit to this work while they are studying full-time. That is atrocious.

PhD students are struggling. They are struggling to make ends meet amidst the cost-of-living crisis and rising rents. In January this year the *Guardian* reported that PhD students are barely scraping by, often relying on a partner to survive or being forced to eat instant noodles and work extra jobs during the night. We need to lift government support for PhD students. We must ensure that they are not put off pursuing higher education because of the high cost of living and the lack of entitlements. We need to increase the stipend, and here today we have the opportunity to actually include PhD students in the Paid Parental Leave scheme.

I urge my Senate colleagues to support the Greens amendments to expand the eligibility of the Paid Parental Leave scheme to PhD students. This amendment does so by including a new entitlement to paid parental leave for someone doing eligible postgraduate work. A person performs eligible postgraduate work if the person is enrolled in a course of study or research for a doctoral degree and performs study or research for the purposes of that course, whether the enrolment is within an institution or the study or research is performed within or outside Australia. These amendments expand the work test in the Paid Parental Leave Act to include eligible postgraduate work.

In November last year, the Minister for Social Services told parliament that this bill reflects the government's commitment to deliver better outcomes for families and advance women's economic participation. Minister Rishworth also said that Australians need a paid parental leave scheme that reflects the needs of modern families. If Labor is serious about achieving gender equity for all, and promoting the health and wellbeing of all parents and children in Australia, it must extend this scheme to postgraduate students. Anything less will be a pretty cruel oversight by the government.

Changes to improve paid parental leave and make it more equitable have been a long time coming. Women, women's organisations, women's rights activists, unions, families and economists have been pushing for this for ages. Discrimination against women at work in the form of diminished responsibilities and lower wages still continues. Improvements to paid parental leave as presented in this bill will, hopefully, help create more equitable workplaces and less disadvantage for women and improve the sharing of care between parents.

a Labor government. Our changes are not only going to help families better balance work and care but they're going to support the vital participation and productivity over the longer term, providing an immense return on investment for this policy and a huge boost to the Australian economy.

It's a policy that addresses the demands of modern life and the realities of modern families. It's a bill that's thorough and successful in achieving what it sets out to do, creating a paid parental leave scheme that truly works for families. And it centres equality and economic growth, not just the principle, and absolutely embeds this in practice. It's going to give more families across Australia access to government support. It's going to provide families with more flexibility and encourage parents to share the care with a view that supports what we know is just the fair and decent thing—and that's gender equality for all the men and women who are being born and all the men and women who are looking after them—together.

It gives me immense pride to speak in support of the bill, as part of a government which is delivering on its promises, and it will assist the lives of 180,000 Australian families every year. The bill is good for Australia's economy, it's good for our society and it's absolutely, totally intertwined with our success and our future. It delivers for parents. It benefits children. It's good policy by a Labor government that is inspired to do the best thing for Australian people. And for those reasons, I commend the bill to the house.

Senator MARIELLE SMITH (South Australia) (11:30): I also rise today to speak on the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill, and I am so proud to stand here as part of a government that has brought this legislation before us. This is the first major change to paid parental leave since the scheme was introduced by a Labor government more than a decade ago. The first tranche of reforms were groundbreaking, and they made a difference to so many families' lives. But in the years since, the need for further reform has been clear because as Australian families have changed, as more and more families are seeking to share in the beauty and challenges of parenting more equally, this legislation has not kept up. It hasn't kept up with those cultural changes happening in Australian families.

The changes in this bill are about supporting families, but they're also about supporting gender equity. The changes are about valuing fathers as carers and in some families as primary carers. They're about recognising that men aren't always the breadwinners and that women aren't always doing the majority of the caring, that families make their own decisions about the care arrangements and the work arrangements that will best suit them and their children.

This bill modernises the Paid Parental Leave scheme to reflect how Australian families and their needs have changed since its establishment over a decade ago. It does so in a number of ways. The bill combines the two existing payments into a single scheme, it reserves a portion of the scheme for each parent to support them both to take time off after a birth or adoption and it removes the notion of primary and secondary carers, making it easier for both parents to access the payment. While modest, the 'use it or lose it' provisions encourage shared care, and I hope these provisions are something that we see expanded in further iterations of the scheme and as the Women's Economic Equality Taskforce continues its work.

The bill also expands access to the scheme for families where women are primary earners by introducing a \$350,000 family income test. I know a number of families who have been locked out of taking full advantage of paid parental leave because of this issue, and I welcome the fact that the bill better reflects the circumstances of more families in our community.

Most importantly, the bill represents one part of a suite of broader policy reforms that our government has embarked upon that will support the development and wellbeing of our littlest Australians. We know that the first six months of life are absolutely critical to a child's development and future wellbeing. They're critical to a child's sense of attachment to their carers and they're critical to the growth of the child, as well. Enabling families to have the opportunity to spend more time with their babies in these crucial early months is a worthy reform, and I welcome the broader policy intent of our government to bring this scheme to six months of paid leave by 2026.

As so many of us in this chamber can appreciate, the first six months with a new baby are an absolutely amazing time, full of joy and delight as each little milestone is met. But—my God!—they can be a bloody tough challenge too, full of sleeplessness and stress on the family and on women who experience birth trauma or other physical challenges like mastitis, difficulties with pelvic floor damage and the impacts of recovering from caesarean wounds—so many things which can happen in a birth as you welcome a baby into the family. The mental health challenges which many families experience, both mums and dads, in these first six months can be really significant and at times really dangerous. A new baby changes family dynamics with other children. It can make more difficult your other caring responsibilities, including for elderly parents. It affects the family dynamic. So while it can be and is a time of miracles and wonder and joy and awe, it can also be really tough. It shouldn't be the case that the only

Every time Liberals get in, workers go backwards, because the Liberals and the Nationals have always been the parties of bad businesses, not of the good businesses that have made many of these changes in conjunction with their workforce, who are often represented by unions. Every time a Labor government is elected we see the Australian middle class grow. Whether it's workers or good employers who want to do the right thing by their workers, Labor is the party for the middle class.

Let's take paid parental leave as a case in point. In 1973, it was the Whitlam government that first introduced maternity leave for public sector employees and banned discrimination against employees who became pregnant; in 1979, unions successfully argued for maternity leave in the maternity leave test case, which extended unpaid maternity leave to all permanent employees in the private sector; in 1985, unions won unpaid adoption leave; in 1990, the unions won the parental leave test case; and, in 1993, the Keating government enshrined unpaid parental leave as a workplace entitlement in legislation.

But during the long, dark years of the Howard government, while universal paid parental leave became common across the OECD, Australian workers went backwards. Rather than paid parental leave, we got Work Choices. During this time, many unions fought for paid parental leave to be added to enterprise agreements. But, while unions led the charge on parental leave, the Howard government was attacking the rights of workers to join unions and to be able to successfully argue for those changes across companies and across industry sectors. In doing so, Howard attacked the rights of workers to access paid parental leave schemes.

I remember that, while I was the New South Wales secretary of the Transport Workers Union, we were winning paid parental leave for truck drivers in agreements in the late 1990s and early 2000s, and we were publicly attacked by people like 2UE's John Laws for going soft. Well, thank goodness going soft is recognised as something we should all be doing as a community, not based on gender and, hopefully, not based on politics.

By the time the Rudd and Gillard governments legislated paid parental leave in 2010, Australia was one of only two OECD countries without a universal paid parental leave scheme. That is where the Howard government left Australian families: with one of the two most antifamily workplace relations systems in the developed world. Now, after another decade of Liberal government, another decade of Australian workers going backwards, this Labor government has inherited a parental leave scheme that has slid back to being the second-worst among comparable OECD and EU countries. Again, every time the Liberals and Nationals sneak in, they send workers and families backwards, and, every time a Labor government is elected, we repair the damage done to Australia's middle class.

Of course, this bill is just the first step in strengthening our Paid Parental Leave scheme. Later this year the Albanese government will introduce legislation to expand Paid Parental Leave from 20 weeks to 26 weeks—another big step forward for Australian families. We should aspire to continue to improve the scheme.

I note the submissions by the Australian Council of Trade Unions and the Shop, Distributive and Allied Employees Association calling for the scheme to gradually be extended to a full year of paid parental leave—52 weeks—with an increased rate of pay. They've also called for the scheme to be expanded to all workers, regardless of the length of service, including those who are on temporary or fixed-term contracts. Just as we've seen for a century, the trade union movement is always at the forefront of driving positive workplace reforms that benefit the entire community.

Just as we have seen for a century, the advocacy and campaigning of the union movement is often so successful that even the Liberals are shamed into supporting positive workplace reforms such as we're seeing today. That's why it's so, so hard to destroy unions and to stop workers and their representatives and working families from coming together to have a representation and a voice at work. Unions make workplaces and Australian society fairer. They make our middle class stronger. For the Liberals and Nationals, the party of the employers—the employers who want to rip people off—unions are something that they will never support. But I tell you what: good companies do support them, good employers do, and good politicians make a difference. We'll continue to drag the Liberals and Nationals kicking and screaming into the 21st century. Part of the way of doing this reform and bringing them into the 21st century is making sure there are programs that are actually of benefit, because this is also a productivity opportunity and is of assistance to employers.

Regarding the mandatory nature of these benefits, the employer's role can help parents to stay connected to their workplace while on leave, leading to the benefits of business, including increased retention and reduced training and recruitment costs. Crucially, the employer role also supports women's workforce participation. We know that time out of the workforce due to caring responsibility is a key driver of the differences between men's and women's economic outcomes. Keeping women connected to their employer while they are on parental leave is intended to encourage women to return to the workforce and have that productivity boost and opportunity across our community while also reducing employee turnover and, in turn, reduce the lifetime earnings gap between men and women.

Labor will introduce further legislation to progressively increase the Paid Parental Leave scheme from July 2024 until it reaches 26 weeks—a full six months—in 2026. This is the largest expansion since Labor established the scheme back in 2011. It's something that parents of my generation never had access to. This will be such a good fundamental change for families, for parents and for their children. I echo the words of the Minister for Social Services, Amanda Rishworth:

We know what happens when both parents are not supported to take time off paid work to care for their babies—usually Mum works much less, or leaves the workforce altogether to take on caring responsibilities, while Dad remains in full-time work ... This pattern persists for years after the child's birth and is a key driver of gender gaps in workforce participation and earnings.

I urge everyone in this place to support this bill. This bill will support women. It will help remove that issue that many women face when they become mothers, having to choose between being the parent who is the full-time carer or giving up their opportunity in the workforce. The reality of having both parents being able to share in that caring role is so important. It provides relief around the cost of living. It also strengthens the bond between the parents and provides women the opportunity to return to the workforce, if they want to, earlier than they otherwise may have done so.

As I said earlier, the bond that is developed between parents in those first very important months and years cannot be underestimated in setting the foundations for the relationship that children have with both parents. Frankly, if I was being honest in this chamber, I'd say the fact that my husband became the carer and the homemaker meant that our children actually much preferred my husband to cook. In fact, they still do—and I'm being blatantly honest about this. Those relationships are terribly important.

The other benefit is what it does for women being able to establish and maintain their skills and their place within the workforce. We know that there are too many women of my generation, and beyond, who don't have enough superannuation to be able to retire. This will help solve that issue. It's not the only thing that we need to do, because we still need to increase superannuation for all Australians, but I see such great benefits for the families in my home state of Tasmania: the relationships are going to be stronger, the bonds are going to be better, productivity and the economy are going to be stronger, and skills in our workplaces will continue to grow because women won't feel that they have to step away from paid employment.

Once again, it's a Labor government that steps up to introduce legislation to ensure that both parents get the support to develop the bonds and to share those caring responsibilities. We've have had almost a decade of inaction on behalf of the former Liberal government. And it's sad that you have to wait until there's a Labor government to ensure that these social changes are introduced. So I urge those on the crossbench and those on the opposite side, in opposition, to actually vote for this important legislation. I commend this bill.

Senator FARRELL (South Australia—Minister for Trade and Tourism, Special Minister of State and Deputy Leader of the Government in the Senate) (11:59): I start my contribution to the debate on the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill by submitting a correction to the explanatory memorandum.

I thank all of those who have contributed to this important debate on this bill, including Senator Polley, who gave a very personal account of the importance of this legislation to her family. Improving paid parental leave is critical, nation building reform. The Albanese government knows this, and we know that paid parental leave is vital for the health and the wellbeing of parents and their children. We know that investing in paid parental leave benefits our economy. And we know that, done right, paid parental leave can advance gender equality.

We heard these messages loud and clear at our successful Jobs and Skills Summit in September, where gender equality and economic reform went hand in hand. Businesses, unions, experts and economists all understand that one of the best ways to boost productivity and participation is to provide more choice and more support for families and more opportunity for women.

That's why paid parental leave reform was a centrepiece of our first budget, with an additional half-a-billion-dollar investment in the scheme. Paid parental leave is a proud Labor legacy, and the Albanese government is building and expanding on that legacy. The number of government and non-government members who have spoken to these reforms over the course of this debate shows how important this issue is to many Australians. We've wasted no time delivering on our budget commitment. The changes in this bill modernise paid parental leave so that it's the right time and right for the future.

We know dads and partners want more time at home with their baby. My oldest daughter is expecting our third grandchild in the next week or so, so I can fully understand that dads and their partners do want to spend more time with, particularly, a new baby. We know parents want flexibility in how they choose to take leave and transition back to work. We know the current eligibility rules are unfair to families where the mother is a higher income earner.

Regarding payment of superannuation on paid parental leave, the Treasurer, the Prime Minister, the Minister for Finance, and the Minister For Social Services have been very clear: when we can afford it, we would like to do it. Our first priority has been improving how PPL is structured and expanding the number of weeks. That's our priority, but we will continue to work on issues around pay inequality. The key driver of the gender gap in superannuation is gender pay gaps in working life, and the Albanese Labor government is investing in a range of policies that support women's workforce participation and earning potential.

Regarding the rate of pay, the Productivity Commission recommended it be based on the national minimum wage rather than the proportion of previous earnings. This approach balances the need to provide support to parents with the cost of the scheme to taxpayers. Payment at national minimum wage also means that every family welcoming a new child receives the same financial support. The government does not have plans to change that.

It is worth noting that the changes in this bill mean from 1 July this year eligible parents will be able to claim government paid leave at the same time as any employer paid leave. This will make it easier for families to maintain their income while caring for their newborn. Under the current scheme, this option is already available to mums but not to dads.

During the inquiry, we also heard some concerns from the Greens about the current work test rules, including for people with short or inconsistent work histories and full-time students. While there are no changes to the work test as part of this bill, the current rules are designed to be flexible and are accessible to casual workers, temporary workers, and workers on short-term or fixed-term contracts.

We've heard some questions from senators about the potential for administrative burden on small business. I'd like to assure senators that, in designing the changes, the government carefully considered impacts on business. This legislation does not change the employer role in any way. Evidence provided to the committee's inquiry demonstrated that the more flexible scheme will actually benefit employers and employees without any additional administrative burdens on businesses.

Existing legislation requires employers to administer government funded parental leave pay to eligible long-term employees. Services Australia provides the payment to employers in advance of them passing it on to their employee in accordance with the employer's normal pay cycle. This employer role helps parents stay connected to their workplace while on leave, leading to benefits for business including increased retention and reduced training and recruitment costs. Crucially it also supports women's workforce participation, and we know that time out of the workforce due to caring responsibilities is a key driver of the gap between men and women's economic outcomes. I remind senators that, to reduce administrative burden, employers are not required to administer the payments when employees take the government paid leave days in continuous blocks of less than eight weeks.

I'm pleased that our changes have been warmly welcomed by business. In their submission to the committee's inquiry the Australian Chamber of Commerce and Industry said they strongly support these changes:

These changes should deliver significant benefits to the economy by boosting women's workforce participation, improving flexibility in the use of paid parental leave, enhancing gender equity outcomes, and ensuring businesses continue to have access to a diverse, experienced productive labour force.

Again I thank all senators for their engagement on this important issue, and I commend the bill to the Senate.

The DEPUTY PRESIDENT: The question before the Senate is that the second reading amendment standing in the name of Senator Waters be agreed to.

The Senate divided. [12:18]

(The Deputy President—Senator McLachlan)

Ayes12
Noes31
Majority19

AYES

Allman-Payne, P. J.
McKim, N. J. (Teller)
Rice, J. E.
Thorpe, L. A.

Faruqi, M.
Pocock, B.
Shoebridge, D.
Waters, L. J.

Hanson-Young, S. C.
Pocock, D. W.
Steele-John, J. A.
Whish-Wilson, P. S.

NOES

Antic, A.

Ayres, T.

Bilyk, C. L.

Senator Henderson: That's arrogant.

Senator FARRELL: There's no arrogance there, Senator Henderson. We intend to be a long-term Labor government, and that's the way long-term—

Opposition senators interjecting—

Senator FARRELL: No, no.

Senator Scarr: Two more years! Twenty-four months feels like forever!

Senator FARRELL: No, not two more years. We intend to, over time, build on the terrific work that the Labor government has done in the past—

Senator Henderson interjecting—

Senator FARRELL: How many more years? I can't tell you. I can't forecast just how many years, but I know that under Anthony Albanese we intend to be a long-term Labor government.

Senator Henderson: How many more broken promises, Senator Farrell?

Senator FARRELL: No broken promises. We took our paid parental leave policy to the people at the last election. They're endorsing it. We've put it into our budget. We've now put it through the House of Representatives. Our job, as senators, is to say, 'We're doing the final step.'

If we could do everything we wanted to do—if we had an unlimited amount of money—then there are a whole lot of other things that an Anthony Albanese Labor government would like to do. At this point, we're doing what we said we would do. And, as I said in my summing-up speech, there are other things that we want to do and there will be other things that we will do in the future.

But, Senator Waters, we are the government. We were elected by the people to govern this country. We took a set of policies to the people and they endorsed those policies, so what we're here to do is to implement those policies. That's what we'd like this Senate to do, and we'd like you to be part of that.

Senator WATERS (Queensland—Leader of the Australian Greens in the Senate) (12:32): Just sticking with superannuation briefly, before we move to our other detailed amendments, the former government commissioned a retirement income review, which costed paying superannuation on paid parental leave at a mere \$200 million. That was for 179,000 recipients. I understand that we're up to about 181,000 recipients now, so it's possible that that \$200 million cost might have increased by one or two million. My question, representing minister, given that you say you'd like to do it when you can afford to do it, did you re-cost how much it would cost the budget to pay superannuation on paid parental leave?

Senator FARRELL (South Australia—Minister for Trade and Tourism, Special Minister of State and Deputy Leader of the Government in the Senate) (12:33): I thank Senator Waters for her question. We don't have an updated cost.

Senator WATERS (Queensland—Leader of the Australian Greens in the Senate) (12:33): From that, I can infer that you're relying on the \$200 million cost and you're making the active decision that the women of Australia are not worth the \$200 million to pay for superannuation on their paid parental leave despite the fact that that was a 2019 election promise by the then Labor opposition.

I'm going to move some committee stage amendments now. I seek leave to move Greens amendments (1) to (5) on sheet 1819 together.

Leave granted.

Senator WATERS: I, and also on behalf of Senator Barbara Pocock, move:

- (1) Schedule 1, item 2, page 4 (line 13), omit "100", substitute "130".
- (2) Schedule 1, item 38, page 13 (line 6), omit "100", substitute "130".
- (3) Schedule 1, item 66, page 25 (line 19), omit "90", substitute "120".
- (4) Schedule 1, item 66, page 25 (line 31), omit "100", substitute "130".
- (5) Schedule 1, item 66, page 26 (line 12), omit "100", substitute "130".

Statement pursuant to the order of the Senate of 26 June 2000

Amendments (3), (4) and (5)

Amendments (3), (4) and (5) are framed as requests because they amend the bill to increase the maximum number of days for which paid parental leave can be paid in relation to a child from 100 days to 130 days.

As this will increase the total amount of paid parental leave that can be paid, the amendments will increase the amount of expenditure under the standing appropriation in section 307 of the *Paid Parental Leave Act 2010*.

optimal model of a 26-week scheme. The task force, made up of independent experts and chaired by Sam Mostyn, is considering the right mix of 'use it or lose it' weeks and flexible weeks to maximise women's economic equality. They will provide advice to the government by midyear. Following consideration of the task force's advice, the government will bring forward legislation to expand the scheme to 26 weeks by 2026.

I'd urge all senators, including Greens senators, to focus on the bill in front of them and the benefits to 180,000 families each year. As I said before, it's critical that this bill passes both houses by 9 March to ensure that parents who are expecting to give birth or adopt on or after 1 July 2023 have the option of pre-claiming parental leave three months in advance.

The CHAIR: The question is that requests (1) to (5) on sheet 1819, moved by Senator Waters, be agreed to.

The committee divided. [12:46]

(The Chair—Senator McLachlan)

Ayes12
Noes27
Majority.....15

AYES

Allman-Payne, P. J.
McKim, N. J. (Teller)
Rice, J. E.
Thorpe, L. A.

Faruqi, M.
Pocock, B.
Shoebridge, D.
Waters, L. J.

Hanson-Young, S. C.
Pocock, D. W.
Steele-John, J. A.
Whish-Wilson, P. S.

NOES

Antic, A.
Chisholm, A.
Farrell, D. E.
Grogan, K.
McLachlan, A. L.
Polley, H.
Ruston, A.
Smith, M. F.
Urquhart, A. E.

Ayres, T.
Cicccone, R.
Gallagher, K. R.
Henderson, S. M.
O'Neill, D. M.
Pratt, L. C.
Scarr, P. M.
Sterle, G.
Walsh, J. C.

Cadell, R. (Teller)
Dodson, P.
Green, N. L.
McAllister, J. R.
Payman, F.
Roberts, M. I.
Sheldon, A. V.
Stewart, J.
White, L.

Question negatived.

Senator FARUQI (New South Wales) (12:49): by leave—I move Greens amendments (1) to (11) on sheet 1828 together:

(1) Schedule 1, item 1, page 3 (line 10), after "paid workforce", insert "or from eligible postgraduate work".

(2) Schedule 1, page 9 (after line 1), after item 13, insert:

13A Section 6

Insert:

eligible postgraduate work: see section 35AA.

(3) Schedule 1, item 58, page 23 (line 23), omit "or taken enough paid leave", substitute ", taken enough paid leave or performed enough eligible postgraduate work".

(4) Schedule 1, page 24 (after line 19), after item 61, insert:

61A After paragraph 31AA(2)(c)

Insert:

(ca) on that day the person is performing no more than one hour of eligible postgraduate work; and

(5) Schedule 1, page 27 (after line 9), after item 75, insert:

75A Section 32 (at the end of paragraph (b) of note 1)

Add "or eligible postgraduate work".

(6) Schedule 1, item 86, page 28 (lines 19 to 21), omit the item, substitute:

86 Paragraphs 33(2A)(a) and (b)

Omit "primary claimant", substitute "PPL claimant or special PPL claimant".

Senator FARRELL (South Australia—Minister for Trade and Tourism, Special Minister of State and Deputy Leader of the Government in the Senate) (12:51): I thank Senator Faruqi for her contribution but indicate that the government continues to oppose this amendment. Can I say this: I don't think there's ever been a government in the history of this country that's so committed to achieving gender equity. I just look at my colleague here, Senator Gallagher, and the wonderful work that she's been doing in every aspect of this government's decision-making process.

I start by reiterating my earlier comments. We went to the election with a proposal, that proposal was endorsed by the Australian people, and we're here today to implement that proposal. The work test supports the intent of the scheme and provides financial support to working parents who have an attachment to the workforce. Therefore, PhD students who are not also engaged in paid employment are not eligible.

The current work test is flexible enough to encompass workers in both full-time and part-time employment and workers on casual, temporary or fixed-term contracts. To meet the work test, a person must have performed qualifying work for 10 out of the 13 months prior to the birth or the adoption of their child and worked for at least 330 hours in that 10-month period with no more than a 12-week gap between consecutive working days. The hours worked requirement equates to just over one day a week. The person is also considered to be performing qualifying work on a day if they have taken a period of paid leave of at least one hour. Should a PhD student undertake paid work in addition to their studies, such as tutoring at university, this could count towards the work test. Just from my knowledge of this area, I'd say that there are a lot of PhD students who would fit into that category. PhD students who are employed at the university may also be eligible for the university's Paid Parental Leave scheme for employees. Many PhD scholarship programs offer paid parental leave to eligible students who have held their scholarship for at least 12 months. Of Australia's top 20 universities, 16 provide paid parental leave to students on PhD scholarships at an average of 12 weeks. A PhD student who is not eligible for paid parental leave may be eligible to receive the newborn supplement and the newborn upfront payment. The government also provides significant funding and support to students. In the October 2022-23 budget there is costed expenditure on higher education at \$44.63 billion over four years, including \$485.5 million over four years for 20,000 additional Commonwealth supported places at universities and other higher education providers.

The CHAIR: The question before the chair is that requests (1) to (11) on sheet 1828, moved by Senator Faruqi, be agreed to.

The committee divided. [13:00]

(The Chair—Senator McLachlan)

Ayes12
Noes29
Majority17

AYES

Allman-Payne, P. J.
McKim, N. J. (Teller)
Rice, J. E.
Thorpe, L. A.

Faruqi, M.
Pocock, B.
Shoebridge, D.
Waters, L. J.

Hanson-Young, S. C.
Pocock, D. W.
Steele-John, J. A.
Whish-Wilson, P. S.

NOES

Antic, A.
Canavan, M. J.
Colbeck, R. M.
Gallagher, K. R.
Hanson, P. L.
McLachlan, A. L.
Polley, H.
Ruston, A.
Sterle, G.
Walsh, J. C.

Ayres, T.
Chisholm, A.
Dodson, P.
Green, N. L.
Henderson, S. M.
O'Neill, D. M.
Pratt, L. C.
Sheldon, A. V.
Stewart, J.
White, L.

Cadell, R. (Teller)
Ciccione, R.
Farrell, D. E.
Grogan, K.
McAllister, J. R.
Payman, F.
Roberts, M. I.
Smith, M. F.
Urquhart, A. E.

Question negatived.

3 Section 6 (definition of employer determination)

Omit "section 101", substitute "subsections 101(1) and (1A)".

4 Section 6

Insert:

non-acceptance notice: see paragraph 103(2)(b).

5 Section 100 (paragraph beginning "This Part")

Repeal the paragraph, substitute:

This Part is about employer determinations. If an employer determination is in force for an employer and a person, the employer must pay instalments to the person, unless the employer employs less than 50 employees. In that case, the employer may elect to pay instalments to the person.

6 Section 100 (paragraph beginning "If the Secretary makes")

Repeal the paragraph, substitute:

If the Secretary makes an employer determination for a person and the person's employer and the employer employs 50 employees or more, the employer must:

- (a) give the Secretary certain information to enable the Secretary to pay the employer PPL funding amounts for the person; or
- (b) apply for review of the employer determination under Part 5-1 or 5-2.

If the Secretary makes an employer determination for a person and the person's employer and the employer employs fewer than 50 employees, the employer may elect to pay instalments to the person. If the employer does not make an election, the Secretary must pay instalments to the person.

7 Subsection 101(1)

Omit "under this section", substitute "under this subsection".

8 After paragraph 101(1)(a)

Insert:

- (aa) the employer employs 50 or more employees; and

9 After subsection 101(1)

Insert:

(1A) The Secretary must make a determination under this section (the *employer determination*) that a person's employer is to pay the person instalments if the Secretary is satisfied, when making the determination, that:

- (a) either:
 - (i) a payability determination under section 13 or 14 that parental leave pay is payable to the person for a child is in force; or
 - (ii) an initial eligibility determination under section 26A for the person in relation to a child is in force; and
- (b) the employer employs fewer than 50 employees; and
- (c) the employer has made an election under section 109 to pay instalments and that election applies to the person; and
- (d) the person has consented in the claim to the employer paying instalments to the person; and
- (e) the person has a continuous flexible period for the child and is likely to be an Australian-based employee of the employer during that period; and
- (f) there are no other flexible PPL days prior to the person's continuous flexible period in respect of which:
 - (i) parental leave pay is payable to the person for the child; or
 - (ii) the person is initially eligible for parental leave pay for the child; and
- (g) the employer has an ABN.

10 Paragraph 101(3)(a)

After "subsection (1)", insert "or (1A)".

11 Paragraph 101(3)(b)

After "paragraph (1)(a)", insert "or (1A)(a)".

12 Subsection 101(4)

Omit "subsection (1)", substitute "subsections (1) and (1A)".

13 At the end of section 101

Insert:

Calculating number of employees

I also commend Senator Pocock for allowing the 12-month period to enable a lead-in, which should provide time for Services Australia to be able to arrange the necessary back-of-house processes necessary to implement this change. The coalition want to put on the record that we will always support anything that reduces compliance burden placed on the engine room of our economy, which is small businesses and, accordingly, we will be supporting this amendment and thank Senator Pocock for moving it.

Senator FARRELL (South Australia—Minister for Trade and Tourism, Special Minister of State and Deputy Leader of the Government in the Senate) (13:09): I thank Senator David Pocock for the constructive discussions that have gone on in the last hour or so, and we will continue those discussions and ensure that the basis of those discussions will be implemented.

It is remarkable that Senator Ruston now jumps up to move Senator Pocock's amendments. If this was such an important issue and the opposition were so concerned about small business, why didn't they move these amendments themselves in the first instance? I think that is the \$64 question. I think I do have an answer to that. Although Senator Ruston and her colleagues in the coalition talk the talk on small business, they never ever walk the walk. We only have to see what has happened with the Bellarine Peninsula. What happened to small businesses in the tourism industry during the pandemic? You didn't care an iota.

Senator Henderson interjecting—

Senator FARRELL: You never cared one iota about those small businesses. Suddenly—

Senator Henderson interjecting—

The TEMPORARY CHAIR (Senator Polley): Senator Henderson, the senator should be heard in silence.

Senator FARRELL: Thank you for that protection, Temporary Chair. I make the point that you can't believe the coalition when they say they are remotely interested in helping small business. There's only one party in this country that's going to help small business, and that is the Australian Labor Party. We're the only party that is interested in helping small business—

Senator Henderson: The Geelong Manufacturing Council says that you are destroying manufacturing businesses.

Senator FARRELL: I will take that interjection. I talk to businesses every single day, day and night, every weekday and every weekend. The message they're giving me, Senator Henderson, is that they like what they see with the Anthony Albanese Labor government. They like what they see because they know that not only are we a pro-worker government but also we are a pro-business government. You can do both. You can help workers in this country, as we are doing with this legislation; and you can help businesses. Of course, what we've done with this piece of legislation is do exactly that: help workers and help businesses.

The role of employers in the Paid Parental Leave scheme is not changing under this bill. Employers play an important role in maintaining a connection to work for parents and, particularly, women time off to care for children. Roughly five million Australians work in small businesses with fewer than 20 employees. In designing the changes, the government carefully considered impacts on business. The government has made sure that with this bill employers won't face any new regulatory burdens when paying paid parental leave.

Evidence to the Senate committee inquiry on this bill demonstrated that our changes, particularly the increased flexibility, will benefit employers and employees, without any additional administrative burden on businesses. Did you hear that, Senator Ruston? I'll repeat it for you because I know you weren't listening: evidence to the Senate inquiry on this bill demonstrated that our changes, particularly the increased flexibility, will benefit employers and employees, without any additional administrative burden on business. Throughout the Senate inquiry on the bill no submissions or witnesses raised the mandatory employer role as an area of significant concern, not even the peak body representing small businesses, the Council of Small Business Organisations of Australia.

We know that nearly 40 per cent of businesses who administer paid parental leave pay to their employees choose to do so. They opt in even though they were not required to under the legislation. Businesses administer paid parental leave because it's a workforce entitlement not a welfare payment. It was the Productivity Commission that recommended businesses administer PPL payments so that mothers maintain a connection with their employer while on leave. Taking this approach means that women are more likely to return to work and employee turnover falls, which is obviously good for business, particularly small business.

Clearly, concern about the employer role is not a unanimous viewpoint. The Minister for Social Services—who is doing a terrific job, I have to say—has offered to work with Senator David Pocock to investigate the issue and see if there is a need to find solutions. Today we've committed to support a reference to a committee and agree that we consult with Senator Pocock on the terms of reference for that reference.

Bill agreed to.

Bill reported without amendments; report adopted.

Third Reading

Senator FARRELL (South Australia—Minister for Trade and Tourism, Special Minister of State and Deputy Leader of the Government in the Senate) (13:25): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Higher Education Support Amendment (Australia's Economic Accelerator) Bill 2022

Second Reading

Consideration resumed of the motion:

That this bill be now read a second time.

Senator HENDERSON (Victoria) (13:26): It is with great pleasure that I speak on the Higher Education Support Amendment (Australia's Economic Accelerator) Bill 2022 today as the shadow minister for education. The coalition supports this bill, which is the reintroduction of measures introduced by us which lapsed at the election. On behalf of the coalition, I thank the government for proceeding with our bill, which supports our world-class researchers, universities and industries to deliver for our nation.

My former colleague the Hon. Alan Tudge, as the previous minister for education, undertook a review of the government's significant investment in research to identify ways in which we could drive greater benefits for our economy. This work looked at the research undertaken here in Australia by some of our brightest academic minds and the potential to support these ideas through the commercialisation phase. What we discovered was that, whilst we undertake world-leading research and publish more than 100,000 academic papers, we don't do a lot with those beyond the initial exploration.

The ideas generated at universities are incredible, and we are renowned around the globe for inventions like the electronic pacemaker, invented by Dr Mark Lidwill and physicist Edgar Booth in the 1920s; the use of penicillin by Australian scientist Howard Florey in 1939; the black box flight recorder, invented in the 1950s by Dr David Warren, which is now installed on every aircraft; and the cochlear implant, developed by Professor Graeme Clark in the 1970s, which to date has been used on about 750,000 people across the world, absolutely changing lives. The list goes on, but these inventions alone demonstrate how we can assist Australian researchers to translate their amazing ideas into commercial applications to meet Australia's and the world's greatest challenges. This will not only highlight Australia's incredible research on the world stage but also provide a boost to our productivity and create jobs and the industries of our future.

This translation element was a key component of the coalition's \$2.2 billion University Research Commercialisation Package and is the subject of the bill before us today. Our University Research Commercialisation Package outlined key initiatives to reform Australia's research commercialisation landscape across four key areas: by placing national priorities at the core of Australian government funded research; by using priority driven schemes to ramp up commercialisation activity; by delivering university research funding reform to strengthen incentives for genuine collaboration with industry; and by investing in people who are skilled in university-industry collaboration.

The ACTING DEPUTY PRESIDENT (Senator Polley): Thank you, Senator Henderson. It is 1.30, so you will be in continuation. We shall now proceed to two-minute statements.

STATEMENTS BY SENATORS

Superannuation: Taxation

Senator McGRATH (Queensland) (13:30): I rise to provide a two-minute statement about Labor's proposed super changes. My speech will take no longer than two minutes, but somehow it'll still be longer than Labor's so-called conversation about super reform. I've had conversations about the weather that have lasted longer than Labor's so-called conversation about super.

The issue with this conversation and the whiplash that Australians are feeling from the announcement of this brain burp from the Labor government is the realisation that this is yet another broken promise by Labor, and not just a normal broken promise but a supersized broken promise. It is a raid on working Australians. It's a bit rich coming from those who don't support young Australians seeking the choice to access super to purchase their own