

Inquiry into the provisions of the Fairer Paid Parental Leave Bill 2016

Introduction

1.1 On 10 November 2016, the Senate referred the provisions of the Fairer Paid Parental Leave Bill 2016 (the Bill) to the Community Affairs Legislation Committee (the committee) for inquiry and report by 15 February 2017.¹

Key provisions and purpose of the Bill

1.2 The Bill seeks to amend the *Paid Parental Leave Act 2010* (PPL Act) to provide that government-funded paid parental leave (PPL) will be 'targeted at individuals who have no employer-provided paid primary carer leave, or whose employer-provided paid primary carer leave is for a period less than 18 weeks or is paid at a rate below the full-time National Minimum Wage.'²

1.3 The Bill also contains a number of minor amendments to provide more flexible backdating provisions, amend the work test to take into account hazardous circumstances, and extend the period of a permissible break from eight weeks to 12 weeks.³

1.4 In addition, the Bill seeks to remove the obligation for employers to act as paymaster and administer government-funded PPL payments to their employees.⁴

1.5 Under the proposed Bill, payments of PPL would be made by the Department of Human Services, unless an employer opts in to manage the payment of PPL to their employees, and their employee agrees to the employer paying them.⁵

Conduct of the inquiry

1.6 Details of the committee's inquiry, including a link to the Bill and associated documents, were placed on the committee's website.⁶ The committee wrote to 74 organisations and individuals inviting submissions by 16 December 2016. Submissions continued to be accepted after that date.

1.7 The committee received 106 submissions to the inquiry and held a public hearing in Melbourne on 1 February 2017. Submitters and witnesses are listed at Appendices 1 and 2.

1 *Journals of the Senate*, No. 15, 10 November 2016, p. 448.

2 Fairer Paid Parental Leave Bill 2016, Explanatory Memorandum (EM), p. 2.

3 Fairer Paid Parental Leave Bill 2016, EM, p. 2.

4 Fairer Paid Parental Leave Bill 2016, EM, p. 3.

5 Fairer Paid Parental Leave Bill 2016, EM, p. 28.

6 See: Community Affairs Legislation Committee, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Fairer_ParentalLeave2016 (accessed 3 February 2017).

1.8 In addition, the committee received correspondence from 250 individuals. The committee has noted the views expressed in relation to the Bill and has accepted these short, personal statements as unpublished correspondence.

1.9 The committee thanks those individuals and organisations that made submissions to the inquiry and gave evidence at its public hearing.

Committee view

1.10 The committee notes that Schedules 17 and 18 of the Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017 (Omnibus Bill), introduced into the House of Representatives on 8 February 2017⁷, contain similar provisions to this Bill.

1.11 The key variations between the provisions of the Fairer Paid Parental Leave Bill 2016 and Schedules 17 and 18 of the Omnibus Bill are summarised below:

Provision	Fairer Paid Parental Leave Bill 2016	Omnibus Bill
Commencement date	The first 1 January, 1 April, 1 July or 1 October after the day the Act receives Royal Assent.	The first 1 January, 1 April, 1 July or 1 October after the end of the period of 9 months beginning on the day the Act receives Royal Assent.
Maximum period of government-funded PPL	18 weeks	20 weeks
Title of schedule	Schedule 2 – Employer opt-in	Schedule 18 - Removal of parental leave pay mandatory employer role

1.12 The provisions of the Omnibus Bill were referred to the committee on 9 February 2017 for inquiry and report by 20 March 2017.⁸

1.13 The Explanatory Memorandum to the Omnibus Bill states that the Fairer Paid Parental Leave Bill 2016 will be withdrawn following the introduction of the revised PPL scheme arrangements contained in the Omnibus Bill.⁹

1.14 The committee proposes to consider the concerns raised and the evidence received in the committee's inquiry into the Fairer Paid Parental Leave Bill 2016 in conjunction with its consideration of the provisions of the Omnibus Bill.

7 *House of Representatives Votes and Proceedings*, No. 39, 8 February 2017, p. 497.

8 *Journals of the Senate*, No. 26, 9 February 2017, p. 881.

9 Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017, EM, p. 5.

Senator Jonathon Duniam

Chair

