

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2012-13 Budget Estimates Hearings

Outcome Number: 6

Question No: 114

Topic: Superannuation

Hansard Page: Written

Senator Cash asked:

The Women's Budget Statement 2012 at page 10 quotes that 'Australian women are...vulnerable to poverty in old age, with lower superannuation balances and greater dependence on the single age pension'. In view of the fact that superannuation is not included in Labor's paid parental leave scheme despite the recognition that this lower super and greater dependency on aged pension is in large part due to 'broken work patterns and lower incomes' and that one of the priority areas for the Office is to increase women's economic security – what was the policy rationale behind excluding superannuation from the Government's PPL scheme?

Answer:

In its final inquiry report, the Productivity Commission proposed that requiring employers to pay superannuation contributions during the Paid Parental Leave period be delayed, with the issue to be part of a review of the scheme (Recommendation 2.4).

The Productivity Commission recommended this delay to reduce costs for business during the scheme's establishment and to take account of economic uncertainties for businesses at the time.

The Government is implementing the Productivity Commission's recommendations.

The Government has legislated to commence a comprehensive review of the Paid Parental Leave scheme by January 2013, two years after the start of the scheme. The review of the scheme includes specific reference to consideration of superannuation.