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HOUSE OF REPRESENTATIVES

BILLS

**Paid Parental Leave and Other
Legislation Amendment (Dad and Partner
Pay and Other Measures) Bill 2012**

Second Reading

SPEECH

Tuesday, 8 May 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Billson, Bruce, MP

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Mr BILLSON (Dunkley) (17:27): I am pleased to be able to contribute to this debate on the Paid Parental Leave and Other Legislation Amendment (Dad and Partner Pay and Other Measures) Bill 2012. Essentially, it adds the dad and partner pay provisions that the members opposite have talked about to an earlier amending bill which was introduced into this chamber late last calendar year.

It was interesting listening to the member for Throsby, who was urging us to best look at what a party has done when judging its claims, and he was trying to relate that to the paid parental leave. I thought it was rather ominous, on budget night, when we consider what the government's budget forecast might be, to be told we have to suspend all appreciation of what has happened up till now. But it was a very interesting contribution from the member for Throsby at that level.

What this bill seeks to do is to implement that dad and partner pay arrangement and put in place the eligibility criteria and the responsibilities of employers and Centrelink's Family Assistance Office in administering the new payment, having regard also to the way in which an employer may already have some eligibility for paid parental leave or unpaid parental leave through their workplace arrangements. That is the new measure that the minister focused her thoughts on in introducing this bill, given that the other amendments that are part of this bill were canvassed in the original explanatory memorandum and the minister's speech when it was introduced late last year.

For those who have been following this closely, as I have, those amendments went to some administrative insights that have been gained in relation to the operation of the scheme since its commencement, also taking into account a slightly wider window within which the mother of a newborn could not be expected to come in to the workplace under the keeping-in-touch provisions. If I recall correctly, I think that was a 12-day window from the birth of a child and, from my own observations of my own children's births, not everybody is particularly enthusiastic about going back into the workplace 12 days after a birth. It is, I think, a sensible and quite unobjectionable measure to extend that to at least six weeks. That is a very thoughtful measure that is in this bill. There is also some discussion around what happens if the employee wishes to commence the period of parental leave early and also around what systems and procedures would be put in place to accommodate a family tragedy such as a stillbirth or an infant death. It also seeks to provide the departmental secretary with some additional powers where, as I recall the bill, an employer becomes insolvent and there is a need to recover or to take over the making of those payments to an eligible employee.

The coalition finds these measures quite unobjectionable but, as the shadow minister outlined and as is reflected in our second reading amendment, they still do not overcome the glaring deficiencies that are a part of the government's scheme. There is the fact that the period of leave is too short, based on most of the considered evidence, particularly from those involved in maternal and child health, and the fact that the government's scheme does not include superannuation. Another glaring shortcoming in the government's scheme is in retirement income security, particularly for women who have had time away from work because of breaks in superannuation contributions. That can create additional financial pressures down the track, a reality which is not addressed at all in the government's scheme.

There is also the rate of payment which sees the financial support available default to the minimum wage. I have not met any new family or new parent that has their financial responsibilities default back to the minimum wage upon the birth of a child. The mortgage all of a sudden does not look 'minimum wagey', and the expenses of running a household and the additional expenses involved in preparing for the arrival of the microhuman all add to the expenses that the household faces. Yet the government's scheme is insensitive to that very real life reality. We saw reports just today where considerations about the cost of raising children are having an enormous bearing on people considering adding to their family, and some research was quoted in relation to the cost of child care as just one example of those expenses.

The second reading amendment notes those ongoing deficiencies in the government's scheme and calls on the government to get real about paid parental leave. To get real, we believe that a better, fairer paid parental leave scheme has been devised and articulated by the coalition. It is real money in real time that responds to real household financial pressures, and it supports people making that difficult decision about whether to add to the family or not. The coalition offers genuine support for those family members.

In going to the specifics of the provisions of the bill, they are unobjectionable notwithstanding the ongoing glaring deficiencies of the government's scheme. When we get to consideration in detail, the third reading phase, I foreshadow that I will be moving some amendments on behalf of the coalition. These should come as no surprise to the parliament. This will be, I think, my third go at it. The first was when the bill was originally introduced, and our amendments earned strong support in the Senate. As I recall, we missed by one vote in the House having those amendments embraced. Support for a private member's bill followed a similar trajectory. I am hopeful that all of the talk and concern about red tape, compliance costs and burdens, particularly on smaller employers, will actually see people vote in a way that is consistent with the rhetoric around these important issues and impositions on particularly the small business community.

The amendments will seek to preserve the current arrangements for administering the Paid Parental Leave scheme so far as they relate to employers and employees that are both happy with those arrangements. When previously advocating the reforms I was putting forward I think the government—I do not know whether they thought they were being clever or not—rolled out Sony as their mouthpiece, as their case study. That is no corner store, as you would be aware, Mr Deputy Speaker. Sony is a multinational corporation with a range of workplace entitlements that are very generous, including paid parental leave support. Sony were saying, 'No, we're happy to handle this money on behalf of the Commonwealth; we'll just bolt it onto our current arrangements.' I say good luck to them if they have the organisational infrastructure and capacity to carry out that role of paid parental leave pay clerk on behalf of the Commonwealth for a scheme that the Commonwealth has determined, that the Commonwealth funds and that the Commonwealth verifies eligibility for, and where the Commonwealth steps in to make the payments where the employer is no longer able to carry out that responsibility or, ironically under this bill, where the Commonwealth is paying the dad's and partner's pay. All of those arrangements, all of that machinery that is in place, is denied to employers, particularly small business employers, who frankly do not need an unnecessary and unjustified additional imposition on their scarce time and on their stretched organisational resources.

For the first six months of this scheme, a period within which the government boasted about the success of the scheme, the Family Assistance Office of Centrelink made those payments. So an employer had to acknowledge and verify the work tests and the like for eligible employees and then the Commonwealth went around paying that money directly. For the first six months that is the way that the scheme operated, and the Labor government boasted about the success of the scheme.

After that six months, a new impost was forced on all employers to carry out that responsibility on behalf of the Commonwealth. The Commonwealth still had to go through the process of verifying eligibility by liaising with employers and putting in place the funds and the payment systems to make those payments, but they were simply then passed on to an employer, who had to go and reconfigure all of their workplace, industrial relations, pay office and accounting systems to receive that money on behalf of the Commonwealth. They had to pay it through their pay systems but not have it actually in the pay system because it is not supposed to influence workers compensation liabilities, payroll tax obligations and other expenses. It was supposed to be paid through that system but not to actually be part of it. It was supposed to be received from the Commonwealth, often in instalments, and then those payments were to be on-made. That was an administrative burden that was imposed upon employers, particularly small business, with the threat of very substantial fines if they did not do what the Commonwealth said.

You can imagine my surprise when I heard the member for Throsby boast about how employers have embraced the scheme. He said that 22,000 have registered to make payments through their pay cycle. Member for Throsby, they had no choice. That is why they registered, because they would be fined if they did not. It was a legal obligation to participate, and shame on you for trying to misrepresent that level of employer engagement, because they had no choice—

The DEPUTY SPEAKER (Mr S Georganas): Order!

Mr BILLSON: but to carry out that responsibility.

The DEPUTY SPEAKER: Order! The member for Dunkley will resume his seat.

Mr BILLSON: So I hope the member for Throsby—

Mr Bowen: Mr Deputy Speaker, I rise on a point of order. Apart from the honourable member ignoring your ruling that he should sit down for this point of order, he also reflected on you by saying, 'Shame on you'—either that, or he was not putting his comments through the chair. Either way, he was in breach of standing orders.

The DEPUTY SPEAKER: The minister will resume his seat. The member for Dunkley should be cautious of the wording that he uses. All comments are through the Speaker.

Mr BILLSON: I invite you to check the *Hansard*. I apologise to the member opposite for actually having syntax in my sentences. I will make sure they are one long sentence—

The DEPUTY SPEAKER: Order! The member for Dunkley will debate the bill.

Mr BILLSON: following the member for Throsby. I will make sure that is the case. But thank you for pointing that out. It was a valuable contribution, my colleague!

Those are the arrangements in place. They are legally obliged to participate; that is why employers are there. To say that that represents an 'embracing' that extends to the administrative systems, the red-tape obligations, the compliance costs and the risk of fines is an absolute nonsense and a blatant misrepresentation of employer attitudes towards these issues. Let me go to some of the views that the employers have expressed. I hope that the crossbenchers take some of these views into account, particularly the member for Lyne, whom, I must say, I was extremely disappointed in for not supporting this measure last time it was debated when he then fronted up at the National Press Club on 4 March to say:

... I am currently urging both the Government and Opposition to start thinking about a small business compliance strategy.

He went on to talk about the additional compliance challenges imposed by the Paid Parental Leave scheme. That was just days after he voted against reducing the compliance burden on small business. I hope he is serious about that particular initiative. Even the government itself as recently as early March was talking about the meeting it had with business leaders regarding cutting red tape being a key priority for the Gillard government. This was in the communique, which says:

... as excessive regulation lowers business costs—

no, it actually increases business costs—

and hinders productivity.

That statement from the Prime Minister goes on to say:

Small business will also be directly represented on the Forum, given smaller firms often disproportionately feel the impact of regulatory burdens.

These are all honourable objectives, but do something about it, I urge the government. Actually follow through on those fine words by embracing the amendments when we get the opportunity to detail them, when consideration in detail arises.

For those who are under any doubt about why these changes need to take place, about why the red-tape burden should be reduced by the measures that we will be advocating in more detail later, have a look at the Australian Chamber of Commerce and Industry's contribution. It says:

The industrial relations system is already complex enough ... without the government adding an unnecessary level of red tape on parental leave.

It goes on to talk about how the system operates well through the Family Assistance Office. That is how it operates in New Zealand. Why doesn't the government do it here? The Western Australian chamber of commerce

and industry called for reimbursement from the Commonwealth for this paymaster role, criticising it as an unnecessary imposition on employers. The NSW Business Chamber similarly made the point that Paid Parental Leave should not incorporate costs that need to be carried by small business. There were also contributions from the Retailers Association, pointing out the way the government has designed the administration of the scheme is a 'costly, time consuming administrative nightmare.' VECI echoed those remarks. COSBOA are supportive of these measures. Even the former Queensland government was urging the federal government to change its mind. It conveyed, through the then parliamentary secretary Jan Jarratt, that Queensland Small Business Advisory Council members were urging the government to change its way and not mandate these pay clerk requirements on the Commonwealth.

When announcing this policy before the 2007 election, the Prime Minister herself said there would be no new imposts on small business. When these detailed amendments come forward to give smaller employers and all employers not in a position to or disinclined to carry out this unnecessary administrative burden, it is time to back up the talk with action. I urge the House to do the right thing: cut the red tape and support those amendments — *(Time expired)*