



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

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

Consideration in Detail

SPEECH

Thursday, 24 May 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Thursday, 24 May 2012
Page 5497
Questioner
Speaker Billson, Bruce, MP

Source House
Proof No
Responder
Question No.

Mr BILLSON (Dunkley) (11:33): I ask leave to move opposition amendments (1) and (2) as circulated in my name together.

Leave granted.

Mr BILLSON: The amendments that I will put on behalf of the coalition are very sensible amendments. I am reminded, in listening to the minister, that I think Bill Kelty was right—sometimes the truth will do. There is nothing of the kind in the amendments that the coalition is putting forward that does in any way undermine the government's scheme. We have some well argued and clearly articulated views that people's costs do not default to a minimum wage when a child arrives—people's household expenses continue—and that the coalition's paid parental leave proposal is responsive to that real-life reality, giving real money and real time to deal with the real expenses families face.

But, given that the government is not receptive to the coalition's improved and far superior paid parental leave scheme, we are seeing what we can do to improve the scheme that is currently operating. The coalition's amendments seek to do that by relieving a completely unnecessary and unjustified burden on employers, particularly small employers, to act as the pay clerks for the government's scheme. The amendments that we have put forward seek to vary the current default position under the Paid Parental Leave Act where employers, in the majority of cases, are mandated by the department secretary to carry out the Commonwealth's paid parental leave pay-clerk responsibilities. The amendments would change this so that employers would only pay PPL payments when both the employer and the employee consented to the employer making those payments. What that means is that—for an employer with the resources, the size of operation or, in some cases, with a scheme of their own already where they are keen and in a position to do the government's work for it in making these payments, and where the employee feels that that is in their interests as well—that arrangement can take place.

That opt-in arrangement would see an employer complete the paperwork and verify eligibility in partnership with the Commonwealth. The Commonwealth would confirm eligibility and then interact with the employer and then set around a number of payments—a number of payments that in fact probably total about 20 transactions. I will just hold up for the benefit of the chamber and for those who are interested a flowchart of what would actually take place. There are almost 20 separate transactions that an employer is obliged to be engaged with once it has been confirmed that an employee is eligible for the government funded, government determined PPL payments.

Our argument is this. We know there is a significant increase in small business insolvencies, with time-scarce small business employers working very hard to stay afloat. They are cash poor, in many cases, and without the organisational infrastructure to change their payroll system so that this payment coming through the Commonwealth mimics a payment as if it were made by employers but then is not subject to many of the other requirements that come along with a payroll system. Our view is that not all employers are inclined to do that work or are in a position to carry it out without considerable and unnecessary cost and compliance risk. Once they have been determined by the secretary to be obliged to carry out this role, if they do not carry out that responsibility a substantial fine is available to the government to penalise them and that is an additional compliance risk for an employer.

I was very interested to hear in the second reading debate a number of the Labor members talk about how well the scheme was going because so many employers were involved. What an Orwellian contribution that was. They do not have a choice—they are obliged to be involved. To use that argument to say there is no problem here, there is no opportunity for improvement, is absolute nonsense. In relation to the minister's argument that this would, in her words, 'undermine the scheme' encourages me to go back—(*Time expired*)

The DEPUTY SPEAKER (Dr Leigh): Order! I understand the honourable member has not in fact moved the amendments but had been granted leave to move the amendments. I invite the member for Dunkley to formally move the amendments.