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HOUSE OF REPRESENTATIVES

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Paid Parental Leave Amendment Bill 2014

Second Reading

SPEECH

Monday, 2 June 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Zappia, Tony, MP

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Mr ZAPPIA (Makin) (18:37): It is interesting that we are debating a Paid Parental Leave Scheme when you look at the track record of this government and, in particular, of the Prime Minister. I noted the comments of the member for Fowler only a few moments ago. I entirely agree with many of the things he said with respect to the track record of this government. I would like to repeat a couple of the realities of the Abbott government's record on the Paid Parental Leave Scheme and on women more broadly. The Prime Minister himself is on record as having said on 22 July 2002, when referring to the introduction of the Paid Parental Leave scheme:

Over this government's dead body, frankly. It just won't happen.

It is amazing what political reality can do for your beliefs in this place. Not only has the Prime Minister had a change of mind but he was going to go even further than what the previous Labor government had done when it introduced the current Paid Parental Leave Scheme. He now wants to introduce a scheme that will pay mothers who are in the workforce up to \$50,000 when they have a baby. It is clear that the Prime Minister realised that it was smart politics if he was to show a little bit more respect and regard for women around the country. But the reality is that leopards do not change their spots.

Mr Robert: Deputy Speaker, I rise on a point of order. Whilst I do not like to interrupt the member, he cannot impugn an emotive upon another member. He cannot seek to have emotive—

The DEPUTY SPEAKER (Mr Mitchell): There is no point of order. The member for Makin will continue.

Mr ZAPPIA: I made a statement and I stand by it. In other matters relating to women, and I refer in particular to the Prime Minister's own cabinet, only one in 19 cabinet ministers is a woman; only five out of the 30 ministers in his team and only one out of the 12 parliamentary secretaries are women. That reflects the position, when it comes to women, of the current Prime Minister.

The greatest criticism I have of the treatment of women by this government relates to the government's decision to take away the \$500 superannuation benefit for people earning less than \$37,000. Two-thirds of the people earning \$37,000 or less are women so that is who he will effectively hurt the most. What was also interesting was that not one single member opposite, including the women members, took a stand on behalf of the other women who are to lose those benefits.

Coalition members want to portray themselves as the party of paid parental leave and portray the coalition's scheme, which offers up to \$50,000 to a mother having a child, as a fairer and better scheme. The reality is the government's Paid Parental Leave Scheme has become an embarrassment to the coalition members and is an ill conceived illogical scheme the Prime Minister can now not walk away from. Indeed, I have not heard anyone outside of members in this place—who I suspect are simply following their party line—support the Abbott government's Paid Parental Leave Scheme. The Productivity Commission did not recommend it. The business sector condemned it widely. The audit commission did not recommended it—this is the government's own audit commission, a very right-wing group that was appointed by the Abbott government—nor did numerous past Liberal members of this place, including Liberal ex-leaders.

The coalition is not the party of Paid Parental Leave. Indeed, it took a Labor government to bring in paid parental leave just as it was a Labor government that brought in the minimum wage; it was a Labor government that brought in the age pension; it was a Labor government that brought in Medicare; it was a Labor government that brought in compulsory superannuation; and, as I said, it was a Labor government that brought in paid parental leave. It was also a Labor government that introduced the National Disability Insurance Scheme. It seems that you have to look for a Labor government to have social changes implemented in this country,

The second myth the coalition members want the public to believe is that this paid parental leave policy is a workplace entitlement. The coalition is all hypocrisy when it comes to this issue. If it is a workplace entitlement,

why is the minister bringing in this specific legislation that says that the government should administer the payments? If it was a workplace entitlement, it would be the workplace that would administer the payments. It is quite simple. The reality is it is not a workplace entitlement. This is the party that introduced WorkChoices, the party that tried to remove every workplace entitlement that ever existed—penalty rates, leave loading and the like—the party that is still trying to destroy unions so that workers have no bargaining clout at all, the party that wants every worker to individually negotiate their conditions so that workers will end up pitted against one another, the party that wants to drive down wages and the party that blamed workers on less than the male average weekly earnings for the demise of the auto manufacturing sector and the difficulties of SPC Ardmona. This is the party that did all those things and now wants the public to believe that it is the party of workplace entitlements. The Abbott government has never defended workplace entitlements in this country but has miraculously seen the light and is now supposedly standing up for workers in saying that they should be paid more. It is nothing but spin.

As I said a moment ago, if it is a workplace entitlement, then quite rightly it should be a matter negotiated between the employers and the employees. Some employers in the past had already done that. There was nothing stopping workplaces and employers from negotiating a paid parental leave scheme of whatever kind they wanted with their employees, if they wanted to do so. And, as I said, some had already done so.

Myth No. 3 is that the Abbott government scheme is fairer than the existing paid parental leave scheme. How can paying some mums more than others be fair? The scheme that we have, the existing scheme, treats all mothers equally. It is funded by the government; it is not paid for by the employers, albeit that some of Australia's largest companies will be required to pay an additional 1.5 per cent tax so that it can be partly funded. No other government social payment that I can think of is set on the basis of a person's income. When it comes to government payments, all Australians are treated equally. We did not pay unemployment benefits, retirement and disability pensions or the baby bonus on the basis of what a person's previous income was. Everyone was treated equally. All mothers and all babies should be treated equally, because they are equal. The Abbott government's Paid Parental Leave Scheme effectively discriminates between one mother and another. It is not fair on mothers. It is not fair on babies.

There is, however, another aspect to the unfairness that goes to the heart of this budget. How can it be fair to increase medical costs by imposing a \$7 GP co-payment or a \$7 X-ray co-payment or a \$7 pathology test co-payment? How can it be fair to take young people off Newstart and reduce their payment by \$48 a week by putting them on the lower payment of youth allowance? How can it be fair to cut pension increases by changing indexation method? How can it be fair to provide only six months of benefit each year to the under 30-year-old who happens to be unemployed? How can it be fair to increase petrol prices across the board to everyone? Indeed, how can it be fair to cut \$5,500 of support to low-paid apprentices and then give them the alternative of a loan instead? To do all that and simultaneously bring in an unnecessary, uncalled-for and unfair paid parental leave scheme that pays some mums \$50,000 is simply an injustice. In fact there is no social justice in the government's budget.

I have to say that this policy highlights the government's confected budget crisis message. If there was truly a budget crisis, as Abbott government members would have everyone in Australia believe, why would you bring in this very generous scheme now, when you claim that the country cannot afford it? I could accept if members opposite said it is an aspiration that we want to move towards sometime in the future. But to bring it in right now, when you claim you need to balance the budget, simply does not stand up to scrutiny, and it is simply not believed by the broader community. This scheme will cost the Australian public \$5.5 billion a year or \$21 billion over four years. It does not make sense.

There is another aspect of the government's Paid Parental Leave Scheme that concerns me. There are many women who work within a family business or who operate their own businesses. What is to stop these people, when they intend on having a child, from artificially raising their salary so that they can maximise their paid parental leave entitlements? It can be done if you own and operate your own business or if you have set up a family business and you are effectively both the employer and the employee.

There is one final matter that I want to raise with respect to this issue that is of deep concern. That is the question: who really is going to pay for the government's very generous Paid Parental Leave Scheme? The belief is that over 3,000 of Australia's largest companies will pay a 1.5 per cent levy—and they will in a direct way. But the effect of that levy is that it will be shareholders who will ultimately pay the levy. Many of these shareholders are retired people who rely on their investments and the return on those investments. This is a concern that was

reported in media articles prior to the election in September last year, with some estimates being that this Paid Parental Leave Scheme will cost self-funded retirees around \$360 million a year. That is because the 1.5 per cent levy paid by companies will not attract franking credits and, therefore, shareholders and investors will miss out on those franking credits which they would otherwise have received. So, indirectly, the cost of this scheme is being heavily transferred onto self-funded retirees and investors.

The current scheme is working well: 340,000 mums have benefited from it since it has been in place, and I understand that some 40,000 dads and partners have also benefited from the dads and partners pay that was also introduced. This scheme is neither fair nor just. There is no need and no demand for this scheme, and I have heard no public outcry from the broader community to bring it in and to bring it in now. Frankly, there is no benefit to the nation if the Abbott government's generous and unfair Paid Parental Leave Scheme is brought in. It is bad policy and it should be rejected by this House.