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Committee Secretary
Senate Community Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Re: Inquiry into the Exposure Draft of the Paid Parental Leave Scheme Bill 2010

Thank you for the opportunity to comment on the Exposure Draft of the Paid Parental Leave Scheme Bill 2010.

At the outset ACL wishes to express its disappointment at the short time given to analyse what is a lengthy and complex piece of legislation. Although the Senate referred the Paid Parental Leave scheme to the Community Affairs Committee for inquiry and report on 18 March 2010, the draft Bill and Explanatory Memorandum were only made available for public scrutiny on Monday, 3 May. With a closing date for comment of Tuesday, 11 May, this allowed little more than a week to examine the Bill.

ACL understands that the Government has a stated commitment to pass into law its Parental Leave scheme by June in preparation for its implementation on 1 January 2011, but the public deserves to be given a greater opportunity to review and respond to such a comprehensive piece of legislation.

ACL supports the Government's publicly stated aim of giving mothers working outside the home the financial support they need to look after their newborn children. The draft Bill and its explanatory material are largely silent on the purpose of the scheme, however.

A Government that is committed to 'evidence-based' policy should more clearly articulate its policy objectives in the legislation, as this would strengthen the law and assure the public that the consequences, whether positive or negative, have been fully considered. The haste of this inquiry, and the lack of stated policy objectives in the Explanatory Memorandum, gives the regrettable impression that the Paid Parental Leave scheme is the answer to an unarticulated question.

ACL supports the Government's Paid Parental Scheme but believes the policy is discriminatory against women who work exclusively in the home. It would leave such women approximately \$2000 worse off compared to working women who are eligible for the scheme (after tax). ACL believes that all women should be paid an equal amount regardless of their parenting choices, and that home-

based mothers should not receive inequitable support from the Government because they choose to provide care for their own children.

As drafted, the 'work test' and 'income test' exclude from the Paid Parental Leave scheme women who have not worked in the relevant period, such as full-time carers of older children. A simple and identical payment for all mothers would eliminate this inequality of Government support and be easier to manage, thus reducing the cost of administration. A direct payment from the Government, rather than via business, would also improve administrative efficiencies by removing unnecessary duplication from the system.

ACL suggests that other aspects of the scheme can also be seen as treating different groups of parents unequally. The Explanatory Memorandum says that "It [Government-funded paid parental leave] can be received before, after, or at the same time as existing entitlements such as employer-provided paid leave such as recreation, annual and employer-provided maternity leave". This allows certain groups of women to receive an inordinately large pecuniary benefit compared to others.

We believe that where a Government provides family support, this should be done equitably regardless of the choices women make in regards to their careers.

Thank you for your consideration of our views.

Yours sincerely,

Lyle Shelton
Chief of Staff