

# **Senate Education and Employment References Committee**

Public Hearing – 14 August 2023

## **ANSWER TO QUESTION ON NOTICE**

Department of Social Services

**Topic:** Inquiry into the potential impacts of the Commonwealth Paid Parental Leave Scheme on small businesses and their employees

**Question reference number:** IQ23-000068

**Question asked by:** Matt O'Sullivan

**Type of Question:** Spoken. **Hansard Page:** 46

**Date set by the Committee for the return of answer:** 21 August 2023

### **Question:**

**CHAIR:** When the government made the recent changes, what level of consultation with businesses occurred regarding the administration of the leave payment being done by small and medium businesses?

**Mr Flavel:** I might have to take that on notice in terms of the specifics. That bill and those changes went through a committee—I think the community affairs committee. I'm not aware—but I'm happy to go back and check this—of substantial issues being raised by stakeholders in that process around the impact on business generally.

**CHAIR:** If you can take it on notice, please do. Certainly we can have a look at that. I guess this is what I'm trying to understand—maybe not for the questions I've already asked. Obviously, Coles and Woolworths and other very big businesses have a very different capacity for dealing with this from that of, say, a small retailer operating out of the suburbs. We're just trying to understand: what work did the department take on board in relation to understanding the impact of the change?

**Mr Flavel:** I'm happy to go away and look at it. As I said, though, I think it is important to recognise that that analysis was just about the changes to the scheme, not about the underlying arrangements themselves. It wasn't a review about the impacts of the scheme more generally.

### **Answer:**

The department considers impacts on business in the design of policy changes to the Paid Parental Leave scheme as a matter of course.

A search of correspondence indicates that in almost 4 years (since 1 January 2020) nine letters were received from businesses or business owners, raising the administrative arrangements of the Paid Parental Leave scheme. Five of the nine correspondents identified themselves as being a small business.

Two submissions to the Community Affairs Legislation Committee inquiry into the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022 (the

Bill) (out of 26 submissions) referenced the employer role under the Paid Parental Leave scheme.

Development of the Bill also included a Regulation Impact Statement (RIS) which can be viewed [Regulation Impact Statement \(pmc.gov.au\)](https://www.pmc.gov.au/regulation-impact-statements).

The Australian Chamber of Commerce and Industry provided the only submission to the inquiry from a business peak body or organisation.