

**Questions on Notice – Public Hearing**  
**Senate Community Affairs Legislation Committee Inquiry**  
**Fairer Paid Parental Leave Bill 2016**

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**Question 7**

**Hansard page reference: 66**

**Hansard extract:**

**Senator DASTYARI:** Okay. What was the process that this went through?

**Answer:**

A New Policy Proposal was completed for this measure and this is consistent with standard processes for Government to introduce a new policy.

**Question 8****Hansard page reference: 70****Hansard extract:**

**CHAIR:** I have a very brief question following on from Senator Dastyari's line of questioning. With regard to the analysis, the modelling and the predictions that Senator Dastyari just asked about with regard to this particular piece of legislation, did the government do those bits of modelling and undertake the analysis back then, ahead of the existing piece of legislation?

**Answer:**

The current Paid Parental Leave (PPL) scheme was developed based on recommendations from the Productivity Commission's 2009 Inquiry Report, 'Paid Parental Leave: Support for Parents with Newborn Children'. The Productivity Commission's analysis found that there was evidence of child and maternal health and welfare benefits from the introduction of a paid parental leave scheme.

The Productivity Commission also noted that it was expected that parents using formal child care prior to the introduction of a scheme would extend their time off work. Consequently, it was predicted that there would be a reduction in very young children in 'approved' child care. However, it was not clear to the Productivity Commission whether there would be a long-term reduction in child care use or associated Budget savings.

The Productivity Commission also noted that in estimating the net costs of their proposed scheme that they had not taken into account the aggregate effects of the scheme on child care payments, mainly because of data limitations, although other analysis undertaken by the Productivity Commission suggested that the effects would be modest.

The PPL Evaluation and Review did not measure changes in child care usage.

## Question 9

**Hansard page reference: 71**

**Hansard extract:**

**Senator KAKOSCHKE-MOORE:** How have those maternal and child health impacts been factored into the current bill?

**Ms Baxter:** I will just find the right piece of paper; we have one that summarises the evaluation findings. Ms Bicknell is right in that it was a small increase in maternal and child wellbeing, but I can find you the actual figure.

**Senator KAKOSCHKE-MOORE:** That is okay. If it takes a little bit of time, I am happy to take that on notice. That review is publicly available—is it?

**Ms Baxter:** Here we go—I have it. Rather than taking it on notice, I can just whip through the high-level findings, and some of those relate to maternal and child health.

**Senator KAKOSCHKE-MOORE:** Is it possible to get a copy of the review? Is it publicly available?

**Ms Baxter:** I believe so.

**CHAIR:** That would be useful.

**Senator KAKOSCHKE-MOORE:** Yes. The main question I would like answered is the second part, which was: how were those maternal and child health impacts factored into the current bill?

### **Answer:**

In relation to mothers' health, the PPL evaluation found that there were small, but statistically significant, improvements in both physical health and mental health following the introduction of PPL.

- Mothers' average score in relation to physical health increased from 53.5 in the pre-PPL sample to 54.8 post PPL.
- Mothers' average score on the mental health summary increased from 50.8 in the pre-PPL summary to 52.2 post-PPL.

In relation to infant health the PPL evaluation found that the introduction of the PPL scheme produced a small, but statistically significant, reduction in the proportion of mothers who report that their baby experienced an illness of one week or more in the first year of life.

- In the pre-PPL sample 45 per cent of mothers reported that their babies had experienced such illnesses, compared to 41 per cent in the post-PPL sample.

There was also a small increase in the proportion of mothers who continue breastfeeding at all time-points after about six months after birth.

Under the new measure the PPL scheme will continue to support the objective of enhancing the health and development of birth mothers and children by providing financial support to parents of newborn and newly adopted children

The measure ensures that there is a base level of financial support available and that the payment is more targeted to mothers who need it most.

The PPL evaluation found that higher income women have not significantly changed their leave-taking patterns as a result of the introduction of PPL scheme in 2011. In addition, lower income women, who are more likely to have less or no entitlement to employer-provided paid parental leave will be less impacted by this measure. With this taken into consideration, any impacts on maternal and child health and wellbeing are expected to be small and unmeasurable amongst the myriad of other factors affecting decisions families make which may impact on health and wellbeing outcomes (e.g. earlier formal child care placements).

The PPL evaluation and PPL review reports are publically available through the following hyperlinks:

<https://www.dss.gov.au/our-responsibilities/families-and-children/programmes-services/paid-parental-leave-scheme/paid-parental-leave-evaluation>

<https://www.dss.gov.au/families-and-children/benefits-payments/paid-parental-leave-scheme/review-of-the-paid-parental-leave-scheme/paid-parental-leave-review>

**Question 10****Hansard page reference: 66-67****Hansard extract:**

**Senator DASTYARI:** I am looking at the phase 1 evaluation report of the department. It is part of my paperwork; I am not sure whether that was circulated. My apologies. Can you confirm—this is the figure that I have, but I want to check this is right—that 0.7 per cent of paid parental leave recipients earn \$140,000 or more per annum?

**Answer:**

In 2015-2016, 0.7 per cent of Parental Leave Pay (PLP) recipients had an adjusted taxable income that ranged between \$140,001 and \$150,000.

A person must have an individual adjusted taxable income of \$150,000 or less in the financial year prior to the date of claim or the date of birth or adoption (whichever is earlier) to be entitled to PLP. Therefore there were not any PLP recipients who had adjusted taxable income above \$150,000.