



23 January 2023

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra, ACT 2600

By email: community.affairs.sen@aph.gov.au

Dear Secretary

Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022

The Australian Human Rights Commission (the Commission) welcomes the opportunity to make this submission to the Senate Standing Committees on Community Affairs' inquiry into the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022 (the Bill).

The Commission strongly supports the Australian Government's efforts to improving the paid parental leave scheme by making it more flexible, accessible and gender neutral, and recognises the Bill's importance in encouraging greater economic independence for women and achieving gender equality.

In providing this support, the Commission calls on the Government to further amend the paid parental leave scheme to align with international standards, as recommended by the Committee on the Elimination of Discrimination against Women (CEDAW Committee), as soon as practicable.

Background

Paid parental leave plays a vital role in women's economic security. Australia's national gender pay gap is currently 14.1%,¹ contributing to the significant gap in

¹ 'Australia's Gender Pay Gap Statistics' *Workplace Gender Equality Agency* (Web Page, August 2022) <<https://www.wgea.gov.au/sites/default/files/documents/GPG%20Factsheet%20Final%20August%202022.pdf>>.

retirement savings for women,² as well as the underrepresentation of women in the workplace and leadership roles.³ The Commission has previously made several submissions pertaining to the paid parental leave scheme in Australia, including with respect to the Paid Parental Leave Amendment (Flexibility Measures) Bill in 2020 (the Previous Submission).

On that occasion, the Commission highlighted the importance of support for working parents in social and economic outcomes, including gender equality, economic security for women and increased workforce participation for women. It was additionally expressed that any law or scheme to regulate paid parental leave should be approached within a human rights framework. The Commission reiterates those positions with respect to the Bill.

The Previous Submission further highlighted the need to enhance the flexibility of the scheme to promote shared responsibility and increase the duration of paid parental leave. The Commission is encouraged to see these recommendations reflected in the Bill.

Proposed legislative changes

The proposed changes outlined in the Bill meet the commitments made in the 2022–23 October Budget.

Increased flexibility and promotion of shared responsibility

Men currently account for 13% of all paid primary carer's leave taken, a steady increase from 12% in 2021 and 6% in 2020.⁴ A more equitable distribution of

² See: ASFA Research and Resource Centre, *Superannuation account balances by age and gender* (October 2017) <https://www.superannuation.asn.au/ArticleDocuments/359/1710_Superannuation_account_balances_by_age_and_gender.pdf.aspx>; Roger Wilkins, 'The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 16' (Statistical Report No 13, Melbourne Institute, University of Melbourne, 2018) 35–38.; Senate Economics References Committee, Parliament of Australia, 'A Husband is Not a Retirement Plan: Achieving Economic Security for Women in Retirement' (Report, 2016) 5–15, 119; and Australian Human Rights Commission (AHRC), 'Accumulating Poverty? Women's Experiences of Inequality over the Lifecycle' (Issue paper, AHRC, 2009) 22–23.

³ See Chief Executive Women, *Senior Executive Census 2021* (September 2021) <<https://cew.org.au/topics/cew-senior-executive-census/>>; 'Women in leadership' *Workplace Gender Equality Agency* (Web Page, 2020) <<https://www.wgea.gov.au/women-in-leadership/>>; 'Women on ASX Boards' *Australian Institute of Company Directors* (Web Page, November 2021) <<https://aicd.companydirectors.com.au/advocacy/board-diversity/statistics/>>.

⁴ Workplace Gender Equality Agency, *Australia's Gender Equality Scorecard* (2022) <<https://www.wgea.gov.au/sites/default/files/documents/WGEA-Gender-Equality-Scorecard-2022.pdf>>.

parental responsibilities is advantageous to mothers, fathers and children.⁵ Rebalancing work and care responsibilities between partners would result in a reduction in the gender pay gap, higher GDP through increased female work participation, and would ultimately lift economic welfare.⁶

The stereotypical assumption that mothers are the 'primary caregiver' is not reflective of the current realities of modern parenting and earning. The Commission therefore supports the removal of labelling claimants as 'primary', 'secondary' and 'tertiary', and that the primary claimants must be birth parents, to allow families to determine how the entitlement is to be shared.

The Commission additionally commends the requirement for both parties (where there are two claimants) to take at least 2 weeks of parental leave pay for the family to receive the full 20-week entitlement. This serves to reinforce that caring responsibilities should be shared equally. It is also supportive of the flexibility afforded by the Bill, which allows claimants to take their parental leave in a way that works best for them, be it in large blocks or a day at a time.

These changes are reflective of a modern society and a positive step forward in addressing the gender pay gap, income and superannuation gaps, reducing the gap in unpaid domestic work and increasing awareness around equal parental responsibility.⁷

Increased duration of paid parental leave

The Commission welcomes the increase in paid parental leave from 18 to 20 weeks, as a consequence of the abolition of 2 weeks of separate Dad and Partner Pay. The Commission is also highly supportive of the extension of parental leave pay by 2 weeks each year from 1 July 2024 to 1 July 2026, at which time the maximum of 26 weeks will be available.

⁵ KPMG, *Enhancing work-life balance: A better system of Paid Parental Leave* (2021) < <https://assets.kpmg/content/dam/kpmg/au/pdf/2021/better-system-for-paid-parental-leave-report.pdf>>.

⁶ KPMG, *Enhancing work-life balance: A better system of Paid Parental Leave* (2021) < <https://assets.kpmg/content/dam/kpmg/au/pdf/2021/better-system-for-paid-parental-leave-report.pdf>>.

⁷ KPMG, *Enhancing work-life balance: A better system of Paid Parental Leave* (2021) < <https://assets.kpmg/content/dam/kpmg/au/pdf/2021/better-system-for-paid-parental-leave-report.pdf>>.

Further improvements

While the Commission is supportive of the amendments to the paid parental leave scheme proposed in the Bill, there is room to improve the scheme further through additional reform.

Compliance with international standards

In 2018, the CEDAW Committee made a recommendation to Australia that it 'guarantee a minimum of 26 weeks' paid maternity leave, which should be remunerated at the mother's actual revenue level, introduce at least an additional four weeks of paid leave to be taken by the supporting parent, and count the entirety of such periods of leave towards superannuation benefits'.⁸

The Commission calls on the Australian Government to further reform Australia's paid parental leave scheme, as soon as practicable, to ensure it aligns with the international standards outlined in the CEDAW Committee's recommendation.

Noting the above, the Commission is supportive of the Bill, and encourages the Government to continue improving the scheme over time, and working towards meeting international standards, modern parenting arrangements and workforce needs.

The Commission is happy to provide further assistance to the Committee, in its consideration of this matter.

Yours sincerely

Kate Jenkins
Sex Discrimination Commissioner
Australian Human Rights Commission
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⁸ Committee on the Elimination of Discrimination against Women, *Concluding observations on the eighth periodic report of Australia*, 25 July 2018, UN doc no CEDAW/C/AUS/CO/8 [44].