



**Australian
Chamber of Commerce
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24 October 2023

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

Re: Inquiry the potential impacts of the Commonwealth Paid Parental Leave Scheme on small businesses and their employees — questions on notice and clarification

On the 14 August 2023, the Australian Chamber of Commerce and Industry (**ACCI**) appeared before the Senate Education and Employment References Committee (**Committee**) as part of its inquiry into the potential impacts of the Commonwealth Paid Parental Leave Scheme on small businesses and their employees.

During the public hearing, Senator Sheldon asked representatives of ACCI whether the survey results provided to the Committee by ACCI included the survey results provided by the MTAA. Senator Sheldon sought clarification from ACCI on this matter. We can now confirm for Senator Sheldon and the Committee that the results of the survey conducted by the Motor Trades Association of Australia (**MTAA**) were included in ACCI's survey results.

The MTAA is Australia's peak national automotive association, whose membership includes the Victorian and Tasmanian Automotive Chambers of Commerce, the Motor Traders' Association of New South Wales, and the Motor Trade Associations of Queensland, Western Australia, and South Australia and Northern Territory.

The Victorian Automotive Chamber of Commerce (**VACC**) is a member of ACCI. VACC distributed the survey prepared by ACCI not only to VACC members, but MTAA members nationwide. The results of the survey of MTAA members were therefore included in the ACCI survey results.

We hope that this clarification is of assistance to the Committee.

Please see below for responses to the questions put on notice by the Committee to ACCI. Our apologies for the delay in providing these responses.

Yours sincerely,

Jessica Tinsley
General Counsel
Director — Workplace Relations

Canberra
Commerce House
24 Brisbane Avenue
Barton ACT 2600



Question on Notice 1

At the hearing, Mr Morrish said:

“This was distributed to three of our members which did not include that association, who then distributed it to their members. Those associations were the Victorian Automotive Chamber of Commerce, Live Performance Australia, and the Australian Cabinet and Furniture Association.”

Noting the ACCI submission says the survey received responses from 331 employers, of which 242 were small businesses, please advise:

- a. How many of the 331 employers were from:
 - i. The Victorian Automotive Chamber of Commerce
 - ii. Live Performance Australia
 - iii. Australian Cabinet and Furniture Association
- b. How many of the 242 small businesses were from:
 - i. The Victorian Automotive Chamber of Commerce
 - ii. Live Performance Australia
 - iii. Australian Cabinet and Furniture Association

Of the 331 respondent businesses:

- 249 were respondents to the survey distributed by Motor Trades Association of Australia (**MTAA**) through the Victorian Automotive Chamber of Commerce (**VACC**);
- 8 were respondents to the survey distributed by Live Performance Australia (**LPA**); and
- 74 were respondents to the survey distributed by the Australian Cabinet and Furniture Association (**ACFA**).

Of the 242 respondent small businesses:

- 191 were respondents to the survey distributed by MTAA through the VACC;
- 2 were respondents to the survey distributed by LPA; and
- 48 were respondents to the survey distributed by ACFA.

Any discrepancy between the survey results provided by MTAA and ACCI respectively can be attributed to the inclusion of three businesses employing 0 employees at the time the survey was conducted and/or rounding errors.



Question on Notice 2

How many of the 242 ‘small businesses’, which in ACCI’s submission is defined as employing fewer than 20 employees, are small businesses as defined by the Fair Work Act – having fewer than 15 employees? And how many of that number were from:

- a. The Victorian Automotive Chamber of Commerce**
- b. Live Performance Australia**
- c. Australian Cabinet and Furniture Association**

The survey questions distributed by ACCI asked respondents about how many staff they employ on a full-time equivalent basis (see Appendix 1). The definition of a small business employer in the *Fair Work Act 2009* (Cth) does not calculate employees on a full-time equivalent basis but rather treats part-time and full-time employees equivalently: see section 23(2)(a). Accordingly, the survey results will not neatly correspond to the statutory definition.

That aside, the number of respondents to the survey who employ fewer than 15 employees on a full-time equivalent basis were:

- 175 respondents to the survey distributed by MTAA through the VACC;
- 2 respondents to the survey distributed by LPA; and
- 38 respondents to the survey distributed by ACFA.

Question on Notice 3

Did ACCI only approach those three associations with respect to participating in the survey?

- a. If yes – why?**
- b. If not – what other employer associations were approached, and why did they decline to participate?**

ACCI requested a wider range of members to assist with the distribution of the survey. Only the VACC, LPA and ACFA were able to do so at that time. Other employer organisations were unable to participate for a range of different reasons. These likely included:

- the tight timeframe within which the survey results needed to be collected by (less than two weeks); and
- a lack of available space in regular communications to members to include the survey.



Question on Notice 4

Please provide a copy of the survey ACCI distributed to its members.

See Appendix 1.

Question on Notice 5

Please provide a copy of correspondence which was sent by ACCI to ACCI members to inform them about the survey and/or invite them to participate in the survey.

See Appendix 2.

Question on Notice 6

Please provide a copy of correspondence which was sent from the three aforementioned ACCI members, to their respective members, to inform them about the survey and/or invite them to participate in the survey.

See Appendices 3-5.



Appendix 1 — Survey questions provided by ACCI to members

Paid Parental Leave Scheme Administration

Small Business Survey

1. Which sector do you operate in?
2. How many staff do you employ (FTE)?
3. Have you ever paid parental leave to any of your staff?
4. If yes, did you pass on the Commonwealth Parental Leave Payment or did your staff receive it directly from Services Australia?
5. If you passed on the Commonwealth payment, did it add to your payroll processing time?
6. If you passed on the Commonwealth payment, did it increase the administrative burden on your business?
7. If you passed on the Commonwealth payment, did it cause any cashflow problems?
8. If you had a choice, would you prefer to pass on the Commonwealth Parental Leave Payment or have Services Australia pay it directly to your staff member?
9. Have you ever voluntarily “topped up” a staff member’s parental leave payment?
10. Do you feel that delivering Commonwealth parental leave payments through your payroll plays an important role in maintaining a strong relationship between yourself and your employees while they on parental leave? If not, why not?
11. Do you think small businesses should be required to administer Commonwealth Parental Leave Payments?
12. Are you in favour of an opt-in model or an opt-out model for employers to administer Commonwealth Parental Leave Payments?



Appendix 2 — Correspondence by ACCI to members

Email to ACCI members dated 3 May 2023:

PAID PARENTAL LEAVE INQUIRY – SMALL BIZ SURVEY

- As part of the ongoing Paid Parental Leave Small Business Inquiry, ACCI is looking to collect evidence to support an amendment to the Paid Parental Leave Scheme legislation which would remove the requirement for small business employers to administer the scheme directly to eligible employees – leaving it to Services Australia to administer payments to those employees directly.
- To boost ACCI's submission to the inquiry, we would appreciate if members could circulate the **attached** survey to members.
- We have set out the relevant information below, and encourage members with small business members to be involved. Given Senator David Pocock's support, and with enough evidence, there is a real possibility that this amendment could succeed later this year, removing red tape for thousands of small businesses around Australia.

Background:

- Employers must receive and pass on Commonwealth Parental Leave Payments to eligible employees who have a newborn or recently adopted child and have worked for the employer for at least 12 months before the expected date of birth or adoption. The compulsory role of employers in administering the Commonwealth Paid Parental Leave scheme has been a source of frustration for over a decade with many small-business owners reporting it increases their administrative workload and payroll processing times.
- As part of negotiations surrounding changes to the paid parental leave scheme made by the Federal Government in March, Senator Pocock secured a commitment to a Parliamentary inquiry into the role of small business employers in the administration of the Commonwealth scheme. This inquiry will inform policy making ahead of a second tranche of paid parental leave changes coming before the parliament later this year.

Submissions and survey

- The inquiry is open to public submissions until **19 May 2023**. Further details are available – and submissions can be uploaded – [here](#). ACCI will be making a submission, and we encourage any members with small business members to make its own submission too.
- Senator Pocock has expressed his desire to push an amendment to the Paid Parental Leave Scheme legislation later in the year so that small business employers do not have to administer the scheme directly. As such, his office has encouraged us to collect the information contained in the attached survey and has indicated that submissions made directly from our membership would be of great value too, ensuring the inquiry is hearing directly from businesses about their experiences with the PPL scheme.
- **Please return survey results and any other material to us by COB, Tuesday, 16 May 2023.**
- If you have any questions, please do not hesitate to contact me.



Jess Tinsley

Director | Workplace Relations



Appendix 3 — Correspondence by VACC to members

Bulletin Workplace Relations



Reference No. Parental leave survey/dh-5-23

Date: 04/05/2023

OPPORTUNITY FOR MEMBERS TO BE HEARD: Important survey – Inquiry into Impact of Paid Parental Leave scheme on small business

Dear Member

Under current arrangements, employers must receive and pass on the Commonwealth Parental Leave Payments (PLP) to eligible employees who have a newborn or recently adopted a child and have worked for the employer for at least 12 months before the expected date of birth or adoption.

The compulsory role of employers in administering the PPL scheme has been a source of frustration for over a decade with many small-business owners reporting it increases their administrative workload and payroll processing times. As a result of recent legislative changes that come into effect from 1 July 2023 (and related amendments proposed to the *Fair Work Act 2009*), VACC is concerned that this administrative burden will significantly increase.

The Senate Education and Employment References Committee is currently inquiring into the potential impacts of the Commonwealth Paid Parental Leave (PPL) scheme on small businesses and their employees, both before and after legislative changes come into effect. The Inquiry's terms of reference can be accessed [here](#).

VACC is looking to collect evidence to support an amendment to the PPL scheme legislation which would remove the requirement for small business employers to administer the scheme directly to eligible employees – with the responsibility instead being for Services Australia to administer payments to those employees directly.

VACC's small business members are therefore invited to complete a short survey, via the link below, regarding the way in which the PPL scheme currently operates.

Importantly, your responses will assist VACC and the Australian Chamber of Commerce and Industry (ACCI) prepare submissions to the Senate Inquiry in support of the removal of the requirement for small business to administer the PPL scheme directly.

You should only complete the survey once.

The survey will close on 15 May 2023 and can be accessed [here](#)

The survey is anonymous. Neither your details, nor the details of your organisation, will be collected if you complete the survey.

Members seeking further information are encouraged to contact VACC's Workplace Relations team on 03 9829 1123 or ir@vacc.com.au



Appendix 4 — Correspondence by LPA to members

PAID PARENTAL LEAVE SMALL BUSINESS INQUIRY

The Senate Education and Employment References Committee is inquiring into the potential impacts of the Commonwealth Paid Parental (PPL) scheme on small businesses and their employees.

In support of its submission to the [Senate Inquiry](#), the Australian Chamber of Commerce and Industry (**ACCI**) is seeking evidence from small business employers, to support this amendment to the Paid Parental Leave scheme legislation.

If the amendment succeeds later this year, small business employers will no longer be required to administer the scheme directly to their employees. Services Australia would administer payments to affected employees directly, removing red tape for thousands of small businesses around Australia.

LPA invites [small business members](#) to respond to twelve questions to boost ACCI's submission to the Inquiry.

The survey (at the below link) is open until **12pm on Tuesday, 16 May 2023**.

If you have any questions or comments, please don't hesitate to contact [Anna Grogan](#), Workplace Relations Advisor.

Kind regards,

Shay Minster
Director, Workplace Relations

[Click here to complete the survey](#)



Appendix 5 — Correspondence by ACFA to members

PAID PARENTAL LEAVE SCHEME INQUIRY SURVEY

“WE NEED YOUR HELP”

As part of the ongoing Paid Parental Leave Small Business Inquiry, ACFA in conjunction with Australian Chamber of Commerce and Industry (ACCI) is looking to collect evidence to support an amendment to the Paid Parental Leave Scheme legislation which would remove the requirement for small business employers to administer the scheme directly to eligible employees – leaving it to Services Australia to administer payments to those employees directly.

To boost our submission to the inquiry, we would appreciate if members could complete the short survey, as with enough evidence there is a real possibility that this amendment could succeed later this year, removing red tape for thousands of small businesses around Australia.

Background:

Employers must receive and pass on Commonwealth Parental Leave Payments to eligible employees who have a newborn or recently adopted child and have worked for the employer for at least 12 months before the expected date of birth or adoption. The compulsory role of employers in administering the Commonwealth Paid Parental Leave scheme has been a source of frustration for many small-business owners reporting it increases their administrative workload and payroll processing times.

As such, we encourage members to complete the survey as this would be of great value in ensuring the inquiry is hearing directly from businesses about their experiences with the Paid Parental Leave Scheme.

As part of ACFA’s commitment to advocate for our members on a range of issues we appreciate your support in helping us achieve this.

Please submit your survey responses by COB, Monday 15th of May 2023.