

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2010-11 Additional Estimates Hearings

Outcome Number: 1

Question No: 41

Topic: Paid Parental Leave

Hansard Page: Written

Senator Boswell asked:

For the period 2011-12 -

1. What is the estimate of the total number of recipients of 18 week PPL?
2. What is the anticipated total cost to business of administering the 18 week PPL scheme? Please provide a breakdown of the various anticipated costs to large and small businesses.
3. What is the anticipated total cost to government of administering the 18 week PPL scheme, excluding the cost of leave payments to recipients? Please provide a detailed breakdown of these costs including –
 - i. under the *Paid Parental Leave Act 2010* (Part 2), the cost of determining whether 18 week PPL is payable to a person;
 - ii. under the *Paid Parental Leave Act 2010* (Part 3), the cost of administering payment of 18 week PPL;
 - iii. under the *Paid Parental Leave Act 2010* (Part 4), the cost of administering the compliance and enforcement provisions relating to PPL; and
 - iv. any other costs to government.
4. What is the average cost to government of administering the 18 week PPL scheme per eligible person receiving this benefit (excluding the payments to beneficiaries)?
5. What is the estimate of the total number of recipients of the Baby Bonus?
6. What is the anticipated total cost to government of administering the Baby Bonus (excluding the payments to beneficiaries)?
7. What is the anticipated total cost to business of administering the Baby Bonus?
8. What is the average cost to government of administering the Baby Bonus per eligible person receiving this benefit?

Answer:

1. It is estimated that around 126,000 families will receive the 18 weeks Paid Parental Leave in 2011-12.
2. The expected costs for business resulting from the introduction of the Paid Parental Leave scheme are detailed in the Regulation Impact Statement released with the exposure draft of the Paid Parental Leave Bill on 4 May 2010. The Regulation Impact Statement estimated the overall cost of the scheme to business including the cost of replacement staff.

A copy of the Regulation Impact Statement can be found in the Paid Parental Leave Bill Explanatory Memorandum.

3. The total cost of administering the 18 week Paid Parental scheme for the 2011-12 financial year is anticipated to be around \$25.6 million.

Around \$19.4 million is Departmental costs as outlined in the FaHCSIA, DoFD, DEEWR and Human Services 2009-10 Portfolio Budget Statements. The costing was based on the scheme administration as a whole, and it did not disaggregate costs associated with administrative components of the scheme.

An additional \$6.2 million Departmental funding was allocated in the 2010-11 Budget for employer compliance [Source: Budget Paper 2, page 182].

4. The total cost to government to administer the scheme in 2011-12 of \$25.6 million will support payments to an estimated 126,000 families, either directly through the Family Assistance Office (FAO) or through employers funded by the FAO. Scheme administration costs also include the cost of assessing claims for those who are ineligible for the scheme.
5. The estimated number of Baby Bonus children and customers for 2011-12 is 162,000 and 159,000 respectively.
6. The anticipated cost to Government for administering the Baby Bonus is not readily available. However, the cost to FaHCSIA for administering Program Objective 1.3 which includes Baby Bonus, Maternity Immunisation Allowance, Paid Parental Leave and Double Orphan Pension is expected to be \$15.5 million in total for 2011-12. We are unable to comment on the cost of administration borne by Centrelink or Medicare Australia.
7. The Baby Bonus is administered by government.
8. The average estimated cost to government of administering the Baby Bonus per eligible person receiving this benefit, as explained above, is not separately identifiable.