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

DCA submission in response to Paid Parental Leave Amendment (More Support for Working Families) Bill 2023

Dear Committee Secretary,

Thank you for the opportunity to provide a submission in response to the *Paid Parental Leave Amendment (More Support for Working Families) Bill 2023*.

Diversity Council Australia (DCA) is the independent not-for-profit peak body leading diversity and inclusion in the workplace. We have over 1,300 member organisations, reaching more than 20% of the Australian labour market.

Parental leave is an issue of significant interest to DCA and our member organisations. We have previously provided a submission (in January 2023) on the Inquiry into the provisions of the *Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022*¹. This submission can be found [here](#).

DCA welcomes the introduction of this Bill and commends the government for taking action in this area. This Bill will help advance gender equality and women's workforce participation but will also benefit businesses and employees.

A selection of DCA's research and submissions to government reviews, strategies, inquiries and legislative reforms are relevant:

- Gender inequity: [She's Price\(d\)less - 2022 update report - Diversity Council Australia \(dca.org.au\)](#) is the fourth in a series of reports using economic modelling applied to data from the Household, Income and Labour Dynamics in Australia to unpack the factors that contribute to the gender pay gap.
 - Early Childhood Education and Care: [ACCC Childcare Inquiry - Diversity Council Australia](#) and [Early Childhood education inquiry - Diversity Council Australia \(dca.org.au\)](#)
 - Gender equity: [National Gender Equality Strategy - Diversity Council Australia \(dca.org.au\)](#)
 - [Employment White Paper Response - Diversity Council Australia \(dca.org.au\)](#)
 - [Work and Care Inquiry Submission - Diversity Council Australia](#)
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A note on language:

DCA is committed to inclusive language that is respectful, accurate and relevant in the workplace. We also recognise that what constitutes inclusive language is an evolving discussion.

DCA notes that binary language does not reflect the experiences and identities of some people. Whilst we aim to use language that includes all genders, this submission sometimes uses binary language. This is because binary terms are at times necessary to convey the gendered nature and dynamics of society and the very real effects these categories can have on people's lives.

A note on intersectionality:

DCA recommends an intersectional approach when developing and implementing policy and legislation. Intersectionality refers to how some people experience compounded discrimination due to multiple marginalising and interlinked characteristics.² An intersectional lens on the lived experience of disadvantaged and marginalised people will add significant value to inform government policy and legislation.

Comment:

A prediction of the recently released Women's Economic Equality Taskforce final report³ is that if current working patterns continue, the average 25-year-old woman today who has at least one child can expect to earn \$2 million less over a lifetime than the average 25-year-old man who becomes a father. This prediction highlights the urgency of parental leave reforms in Australia.

DCA welcomes the amendments proposed in the *Paid Parental Leave Amendment (More Support for Working Families) Bill 2023*. Many aspects of a 'best practice'⁴ government-funded parental leave scheme are included in these amendments: flexibility, gender-neutrality, and promoting shared-care through 'use it or lose it' provisions.

DCA notes that an immediate action recommended by the Women's Economic Equality Taskforce in its final report⁵ is:

2.4 Strengthen rights and protections for working parents and carers and ensure workers can access parental leave entitlements and high-quality, flexible work arrangements. Importantly, we need to ensure they are not discriminated against when seeking to use those entitlements. (p.25)

Paid Parental Leave reform delivers a number of benefits to the Australian economy and to families. It encourages parents to stay connected to workplaces, addresses workforce shortages, enables more women to re-enter the workforce and contributes to the nation's economic growth⁶.

The Workplace Gender Equality Agency (WGEA)⁷ highlights the importance of reforms which can play a decisive role in supporting a more equal distribution of work and care amongst parents. This improves the economic security of women who have children and are only intermittently connected to the paid workforce.

DCA is supportive of the government's amendments boosting paid parental leave to 20 weeks initially and 26 weeks by 2026. The introduction of gender-neutral claiming is welcomed allowing families to decide who will claim first and how they will share the entitlement to best suit their family. DCA also welcomes the support offered to partners who meet residency requirements where the birth mother does not meet the newly arrived resident's waiting period requirements. Both these reforms effectively remove areas of discrimination that previously existed, particularly for LGBTIQ+ families and immigrant families.

The 'use it or lose it' portion will further incentivise shared care arrangements amongst partners and encourage fathers to use their entitlement and share more of the care of children. This amendment will contribute to challenging gender stereotypes and practices and assist in advancing women's economic security in addition to benefits for families and households overall.

Whilst DCA welcomes these amendments, we support further reforms to challenge gender norms, address the gender pay gap and advance women's economic equality. These include:

1. Increasing the period of parental leave pay to 52 weeks,
2. Lifting the rate of pay from minimum wage to replacement wage,
3. Adding superannuation.

A long-term action recommended by the Women's Economic Equality Taskforce⁸ is:

2.7 Extend the Paid Parental Leave (PPL) scheme by phasing the entitlement up to 52 weeks and boosting the quantum of payments to reach a replacement wage and ensure the scheme incentivises men's use of PPL. (p.25)

Paid parental leave in Australia, even with these reforms, remains very low compared to other similar nations.⁹

Another immediate action recommended by the Women's Economic Equality Taskforce¹⁰ is:

2.6 Legislate the payment of superannuation on all forms of paid parental leave. (p. 25)

Women experience substantial economic loss resulting from disruption to superannuation growth during periods of parental leave. DCA notes that this Bill does not provide for the inclusion of superannuation in the government's paid parental leave scheme. Whilst DCA acknowledges the Minister's response regarding superannuation as "something that our government would like to do when we can afford it"¹¹ and urges the government to consider this inclusion as soon as possible.

In summary, DCA recommends progressing the actions outlined by the **Women's Economic Equality Taskforce: 2.4, 2.6 and 2.7** which will help bring Australian provisions in line with best practice and further reduce the economic inequality experienced by women who care for children in this country.

Please feel free to contact myself or Jacqueline Braw, Senior Advocacy and Government Relations Manager, on jacqueline@dca.org.au should you require any further information about this matter.

Yours sincerely



Lisa Annese
Chief Executive Office

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- ¹ Diversity Council Australia. *Submission to Inquiry into the provisions of the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill, 2022.*
- ² Diversity Council Australia (V. Mapedzahama, F. Laffernis, A. Barhoum, and J. O’Leary). *Culturally and Racially Marginalised Women in Leadership: A framework for (intersectional) organisational action*, Diversity Council Australia, 2023.
- ³ Women’s Economic Equality Taskforce 23-33 Final Report: *A 10-Year Plan to unleash the full capacity and contribution of women to the Australian Economy.*
- ⁴ Workplace Gender Equality Agency. *Submission to the Senate Standing Committee on Community Affairs on Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022.*
- ⁵ Women’s Economic Equality Taskforce 23-33 Final Report: *A 10-Year Plan to unleash the full capacity and contribution of women to the Australian Economy.*
- ⁶ The Parenthood Campaign. [Expansion of paid parental leave - The Parenthood.](#)
- ⁷ Workplace Gender Equality Agency. [Parental leave | WGEA.](#)
- ⁸ Women’s Economic Equality Taskforce 23-33 Final Report: *A 10-Year Plan to unleash the full capacity and contribution of women to the Australian Economy.*
- ⁹ Thrive by Five media release: *More generous paid parental leave entitlements to benefit Australian families but greater supports are needed*, 19 October 2023.
- ¹⁰ Women’s Economic Equality Taskforce 23-33 Final Report: *A 10-Year Plan to unleash the full capacity and contribution of women to the Australian Economy.*
- ¹¹ ABC news online, 19 October 2023: [Paid parental leave is changing. Here's what you need to know - ABC News.](#)