



THE UNIVERSITY OF  
**SYDNEY**



## **Submission to the Senate Community Affairs Legislation Committee on the Fairer Paid Parental Leave Amendment Bill 2016**

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**The Women and Work Research Group**

**The Business School  
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## **The Women and Work Research Group**

The University of Sydney Business School Women and Work Research Group (the WWRG) comprises academics from the University of Sydney Business School and the University of Sydney more generally who have an interest in research and policy development regarding women, gender and work.

The WWRG provides a scholarly environment for inquiry into all aspects of women, work, employment, family and community in the Asia-Pacific region and beyond. It provides a focal point for collaboration with established and emerging scholars, with research centres with similar interests and with practitioners and policy makers in the field. The WWRG has an extensive membership of academics and practitioners and holds regular seminars, roundtables and conferences. A number of members have a particular expertise in women's labour force participation issues, parental leaves, flexible working and women's pay and career patterns.

The WWRG also engages closely with public and political debates about maternity, family and carers' leave, the implications of changing industrial relations regulations on women, childcare and family violence. Recent studies and reports have included a focus on women and leadership in the NSW public sector, on work and care chains in the Asia-Pacific, analysis of the financial impact of proposed changes to Australia's paid parental leave system and on paid domestic violence leave.

## **Summary of this submission's conclusions**

In this Submission by the WWRG to the Senate Standing Committee on Community Affairs on the *Fairer Paid Parental Leave Amendment Bill 2016* (the Bill), the WWRG notes the proposed Bill will reduce financial support to new parents by cutting government paid parental leave (PPL) where their employer funds any paid parental leave to them itself.

We note:

- The lack of evidence for the policy change, both in terms of the level of payment and cessation of the employer paymaster role.
- That many countries are expanding, not reducing their provision of paid maternity/parental leave. Australia will become (once again on this issue) out of step with international trends.
- There is the potential to reverse the positive impacts of the current scheme on women's and their infants' health outcomes as the research suggests that longer leaves enhance health benefits and extend breastfeeding duration.
- The changes will reduce income and may force women to return to work earlier than desired and therefore may impose increased demand on a childcare system already under pressure.
- Far more women than men will be adversely impacted as it is women who overwhelmingly use the current scheme.

We agree with the significant point made by the National Foundation for Australian Women (NFAW) that the predicted savings to government by the changes may be overestimated.<sup>1</sup> These need re-examination.

## Introduction

The WWRG considers the major proposed changes (outlined below) in the PPL scheme a highly retrograde step that far outweighs the minor though welcome improvements.<sup>2</sup> They will reduce income for many working women during the period they are on maternity leave. As a result, women may be forced back to work earlier than desired, impacting negatively on maternal and infant health and wellbeing, and increasing the strain on the childcare system. Numerous studies demonstrate the link between extending mothers' time away from work to the ability to maintain breastfeeding and to improved health benefits for mothers and infants.<sup>3</sup> It is disingenuous to say in the Statement of Compatibility with Human Rights in the Explanatory Memorandum to the Bill, that the requirement for governments to ensure mothers' health before and after birth will be safeguarded by ensuring 18 weeks payment at the national minimum wage (NMW),<sup>4</sup> when 26 weeks breastfeeding is recommended (see below). This is also because mothers' overall incomes will be reduced as a result of the proposed changes thus potentially forcing them back to work earlier than desired.

The policy direction the proposal signals is of a minimal 'safety net' payment. This explicitly contradicts policy developments internationally (see below), not to mention the original Coalition commitment to PPL of 26 weeks at replacement wages. Indeed the policy the government took to the 2013 election was that PPL was a 'workforce entitlement, not a welfare payment'.<sup>5</sup> At this time the government acknowledged that:

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<sup>1</sup> Submission by the National Foundation for Australian Women to the Senate Community Affairs Legislation Committee, submission 27:  
[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/FairerParentalLeave2016/Submissions](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/FairerParentalLeave2016/Submissions)

<sup>2</sup> Referring to the more generous backdating rule and the improved access to PPL for those in hazardous jobs and with a break in employment, although the last may be inadequate to assist any university casual staff. See the Explanatory Memorandum to the Fairer Paid Parental Leave Bill 2016:  
[http://www.aph.gov.au/Parliamentary\\_Business/Bills\\_LEGislation/Bills\\_Search\\_Results/Result?bId=r5752](http://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bId=r5752)

<sup>3</sup> Andres E, Baird S, Bingenheimer JB and Markus AR 2016 Maternity Leave Access and Health: A Systematic Narrative Review', *Maternal Child Health Journal*, 20, 1178-1192; Staehelin K, Berteau PC and Stutz EZ 2007 'Length of Maternity leave and Health of Mother and Child – a Review', *International Journal of Public Health*, 52, 202-207; Baker and Milligan K, 2008 'Maternal employment and breastfeeding, and health: Evidence from maternity leave mandates', *Journal of Health Economics*, 27, 871-887; Chuang C-H, Chang P-J, Chen Y-C, Hsieh W-S, Hurng B-S, Lin S-J and Chen P-C, 2010, 'Maternal return to work and breastfeeding: A population-based cohort study', *International Journal of Nursing Studies*, 47, 461-474.

<sup>4</sup> Explanatory Memorandum to the Fairer Paid Parental Leave Bill 2016, Statement of Compatibility with Human Rights regarding the Convention of the Rights of the Child, p. 6:  
[http://www.aph.gov.au/Parliamentary\\_Business/Bills\\_LEGislation/Bills\\_Search\\_Results/Result?bId=r5752](http://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bId=r5752)

<sup>5</sup> Liberal Party 2013 *The Coalition's Policy for Paid Parental Leave*, p.2:  
<http://lpaweb-static.s3.amazonaws.com/The%20Coalition%E2%80%99s%20Policy%20for%20Paid%20Parental%20Leave.pdf>

‘a ready way to increase Australia’s productivity is to increase the participation (part time and full time) of women in the paid workforce which is why paid parental leave is an economic driver.’<sup>6</sup>

The proposed policy undermines this acknowledgement, as did its prior two iterations. To fully support women’s workforce participation and encourage men to care, the government funded PPL scheme needs to be as widely available as possible to employees (and the self-employed). Otherwise it is the employers of women who attempt to improve their employees’ conditions and who disproportionately bear the burden of the cost of parenthood.

National economic growth depends significantly on increasing women’s labour force participation. This view is uncontroversial among key stakeholders such as international<sup>7</sup> and Australian policy experts,<sup>8</sup> with the 2015 Intergenerational Report noting that ‘boost[ing] female participation will help Australia achieve an even higher level of future prosperity.’<sup>9</sup> Business organisations have warned of the potential for unintended adverse impacts on employer funded paid parental leave from similar earlier proposed changes, as organisations may take steps to reduce this.<sup>10</sup>

This Bill represents an absolute reduction in benefits to working women and is a backward step for gender equality in the workforce. It is out of step with the policy making trajectory and with the concerns of Australian business, it is unfair and unwarranted.

## **The current scheme and the proposed changes to Paid Parental Leave**

*The current PPL scheme* provides eligible employees and the self-employed with:<sup>11</sup>

- 18 weeks pay at the NMW<sup>12</sup> for the primary carer of a newborn or recently adopted child: some or all of this may be transferred to the father/partner.
- Two weeks pay at the NMW for fathers and partners (Dad and Partner Pay, DaPP) including same-sex partners: this cannot be transferred to the primary carer.
- Employers may also provide paid parental leave and this can be used in addition to the government PPL to increase parental leave to 26 weeks as considered desirable by the Productivity Commission.

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<sup>6</sup> Liberal Party 2013 *The Coalition’s Policy for Paid Parental Leave*, p.2

<sup>7</sup> OECD 2012 *Closing the Gap – Act Now*, OECD, Paris.

<sup>8</sup> Daley, J 2012 *Game Changers: Economic Reform Priorities for Australia*, The Grattan Institute, Melbourne, pp.43-47.

<sup>9</sup> Hockey, B. 2015 *The Intergenerational Report*, p.ix.

<sup>10</sup> The Guardian, 10 May 2015, ‘Ending double dipping on parental leave unlikely to save money – business group’

<http://www.theguardian.com/australia-news/2015/may/10/ending-double-dipping-on-parental-leave-unlikely-to-save-money-business-group>

<sup>11</sup> Subject to an earnings cap of \$150,000 pa.

<sup>12</sup> See the Department of Social Services:

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

***The reduction in payments proposed*** by the ‘Fairer Paid Parental Leave Amendment Bill 2016’ is:

- That the amount of the Government PPL payment will be reduced or removed where employer payments plus the Government payment results in the PPL claimant receiving more than the 18 weeks maximum Government payment.

***The potential impact:***

- Government estimates are that the Bill will adversely impact 47% of new parents.<sup>13</sup> Estimates are that only around 80,000 new families will continue to be eligible for the full Government payment.<sup>14</sup> Consequently, a large number of people will be affected each year by the proposed changes, losing either some or all of the government PPL.

The WWRG has conducted an analysis for Fair Agenda on the probable impact of the proposed cuts on the living standards of a range of women in part-time and lower paid positions that women are typically employed in. The analysis covered a supermarket retail worker, a teacher, a patient transport officer and a nurse in different parts of Australia. It concludes that the Federal Government’s proposals are regressive and will have a significant impact on the living standards of these women.<sup>15</sup>

#### ***Deduction of employer payments: Lack of clarity***

The proposed changes are also of concern in that aspects of the Bill are unclear. One of several possible issues is that it may be unclear to women whether they should notify the Government of their employer PPL. The Bill proposes that primary carer pay (PCP) from an employer which is to be deducted from Government PPL is the amount to which an employee is entitled under their employment terms and conditions.<sup>16</sup> Whether a payment under a company policy is such a payment or a discretionary one, may not be obvious to an employee (nor even in some cases to their employer to whom they are likely to turn to for advice). What will occur where the status of an employer policy is unclear? Are return to work payments/bonuses and superannuation payments to be considered as PCP? What will be stated in the rules which the Bill provides may prescribe which payments are or are not covered by the term PCP?<sup>17</sup>

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<sup>13</sup> Explanatory Memorandum to the Fairer Paid Parental Leave Bill 2016, Statement of Compatibility with Human Rights regarding the Convention of the Rights of the Child, p. 6:

[http://www.aph.gov.au/Parliamentary\\_Business/Bills\\_LEGislation/Bills\\_Search\\_Results/Result?bId=r5752](http://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bId=r5752)

<sup>14</sup> See Baird & Constantin 2016, Analysis of the impact of the Government’s MYEFO Cuts to Paid Parental Leave’:

[http://sydney.edu.au/business/research/wwrgr/research/parental\\_leave/research\\_projects](http://sydney.edu.au/business/research/wwrgr/research/parental_leave/research_projects)

<sup>15</sup> Baird & Constantin 2016, Analysis of the impact of the Government’s MYEFO Cuts to Paid Parental Leave’ (Oct 2016):

[http://sydney.edu.au/business/research/wwrgr/research/parental\\_leave/research\\_projects](http://sydney.edu.au/business/research/wwrgr/research/parental_leave/research_projects)

<sup>16</sup> Clauses 11E and 11F of the Bill. Primary carer leave is effectively parental leave.

<sup>17</sup> Clause 11F(3) of the Bill.

## **No evidence base for reductions in the PPL scheme, rather for improvements**

The development of the existing PPL and DaPP schemes has been informed by sound research evidence from the initial Productivity Commission (PC) inquiry in 2008/09 resulting in their 2009 report *Paid Parental Leave: Support for Parents with Newborn Children*.<sup>18</sup> This led to the creation of PPL which came into effect on 1 Jan 2011 (*Paid Parental Leave Act 2010*).<sup>19</sup>

In particular, after extensive examination of the benefits of exclusive breastfeeding and parental care for infants in the first six months of life, the PC decided 18 weeks government funded PPL would allow for almost all families ‘with parents co-funding options (self and employer funded leave)’ to achieve the recommended 6 months’ time away from work (4.1). It also anticipated that Government aims to enhance women’s labour force participation would be aided.

The impact of the current scheme has been analysed thoroughly by the Government funded academic evaluation team, which has now published four reports.<sup>20</sup> This evaluation suggests that the scheme has been successful in progressing towards many of the stated goals, including increasing the time women spend at home with a newborn before returning to work and enhancing their return to work, and in particular, to the same job. But the evaluation also indicates how far there still is to go in achieving further positive outcomes.

It is a significant achievement of the scheme that it speedily affected change in return to work patterns with fewer mothers returning to work by 18 weeks (only 15 per cent) after childbirth, with the most visible change in behaviour by lower earners.<sup>21</sup> Nevertheless, by 26 weeks 36 per cent of mothers had returned to work.<sup>22</sup>

Additionally, very few mothers receive 26 weeks replacement wages plus superannuation currently, suggesting that the financial penalties of taking leave remain severe for women. The economic disparities evident in men and women’s working lives often start at motherhood (see the well documented ‘motherhood’ pay penalty<sup>23</sup>) and continue into old age.

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<sup>18</sup> <http://www.pc.gov.au/inquiries/completed/parental-support/report>

<sup>19</sup> [http://www5.austlii.edu.au/au/legis/cth/consol\\_act/ppla2010166/](http://www5.austlii.edu.au/au/legis/cth/consol_act/ppla2010166/)

<sup>20</sup> <https://www.dss.gov.au/our-responsibilities/families-and-children/programmes-services/paid-parental-leave-scheme/paid-parental-leave-evaluation>

<sup>21</sup> This was measured by two surveys. The first prior to the introduction of Government PPL looked at mothers’ return to work patterns in late 2010 when their babies were about 12-13 months old. The second in mid and again in late 2012 examined those who had received Government PPL when their babies were about six and 12 months old respectively. See Martin et al. 2014 *PPL Evaluation: Final Report*, Australian Government-Department of Social Services, Nov., pp. 3-4.

<sup>22</sup> Martin et al 2014 *PPL Evaluation: Final Report*, Australian Government-Department of Social Services, Nov., p.4.

<sup>23</sup> Livermore T, Rodgers J and Siminski P 2011 ‘The Effect of Motherhood on Wages and Wage Growth: Evidence for Australia’ *Economic Record*, vol. 87 Issue Supplement 1, pp. 80–91; Baker, D (2011) ‘Maternity leave and reduced future earning capacity’, *Family Matters*, No. 89, Australian Institute of Family Studies, downloaded 19 July 2015: <https://aifs.gov.au/sites/default/files/fm89i.pdf>

Currently:

- **16.2% is the gender pay gap for average weekly full-time earnings in mid 2016<sup>24</sup>**
- **44.3% was the superannuation gender gap in 2015<sup>25</sup>**
- **The labour force participation rate of women is 59.3 per cent and of men is 70.4 per cent in mid 2016<sup>26</sup>**

Superannuation contributions during the statutory parental leave payment period are not required to be paid by employers or government. This was to be addressed in the federal government policy taken to the electorate. It is not part of the proposed changes, and consequently, the gender gaps in earnings and superannuation will continue and are likely to be exacerbated by the proposed changes.

### **Adverse influence on gender equity**

At present over 99% of those accessing the Australian Government's Paid Parental Leave scheme are women. While the scheme is written in gender neutral terms, it is thus overwhelmingly women who use it. In effect, the proposed restriction on government PPL will disproportionately adversely impact women rather than men and inhibit women's opportunity to participate in economic life.<sup>27</sup> The proposed changes to the PPL scheme will set women's rather than men's, finances back.

The offensive references to mothers who have taken their legitimate entitlements to the government and their employer parental leave payments as 'double dipping' and engaging in a 'rort' have not been applied to men/partners who do the same.

The Government evaluation suggests that the scheme has not impacted gender equity in terms of male take-up of primary carers leave or a greater participation in domestic work at home. The international evidence shows that fathers take leave if it is designated for fathers only and if it is well paid, that is, at income replacement levels (or nearly so). International experts, Moss and Deven (2015)<sup>28</sup> draw on international evidence to show that

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<sup>24</sup> WGEA 2016 *Gender pay gap statistics* (Aug 2016):

<https://www.wgea.gov.au/fact-sheets-and-research-reports/fact-sheets-and-statistics>

<sup>25</sup> WGEA 2016 *Superannuation and gender pay gaps by age group* (August 2016), from data produced by the Australian Superannuation Funds Association,

[https://www.wgea.gov.au/sites/default/files/Gender\\_pay\\_and\\_superannuation\\_gaps\\_by\\_age\\_group.pdf](https://www.wgea.gov.au/sites/default/files/Gender_pay_and_superannuation_gaps_by_age_group.pdf)

<sup>26</sup> WGEA 2016 *Gender workplace statistics at a glance* (August 2016):

<https://www.wgea.gov.au/fact-sheets-and-research-reports/fact-sheets-and-statistics>

<sup>27</sup> See Article 1 of CEDAW, the Convention on the Elimination of All Forms of Discrimination against Women, <http://www.un.org/womenwatch/daw/cedaw/text/econvention.htm>

<sup>28</sup> Moss P and Deven F 2015 'Leave policies in challenging times: reviewing the decade 2004–2014', *Community Work and Family*, vol. 18 (2), pp. 137–144.

‘experience shows that fathers, by and large, will only use such leave [designated leave]; other forms of leave (e.g. low or unpaid paternal entitlements or any family entitlements) are either not taken or taken predominantly by mothers.’<sup>29</sup>

The proposed reduction in PPL benefits overall is therefore likely to reinforce gender roles, rather than moving towards wage replacement levels for PPL which is clearly essential if the tiny number of men taking primary carers leave is to increase.

## Misalignment of Policies

A reduction in PPL may have two possible outcomes:

- For some women it will mean a break with workforce participation – thus not meeting the government target of increased workforce participation. Currently the PPL scheme has had a positive impact on women’s post birth careers. The evaluation found that since its introduction the proportion of women returning to the job they had prior to PPL increased to 77 per cent from 73 per cent (concentrated on non tertiary qualified women) and those returning to the job *and* conditions they had prior to their PPL has shown a significant increase for both tertiary and non tertiary qualified women (from 28 per cent to 33 per cent).<sup>30</sup> A somewhat higher proportion of mothers post PPL viewed their career prospects on return more positively than those prior to PPL’s introduction.<sup>31</sup>
- For other women, the reduction in PPL will mean a return to work earlier than desired<sup>32</sup> and therefore increased pressure on childcare – especially for infants. Whilst the use of formal childcare for infants under 1 is low with 8.7 per cent usually attending formal childcare whereas 23.8 per cent use informal care,<sup>33</sup> demand for care is clearly high. Additionally, the proportion in formal care thereafter increases, to 22 per cent of the under 2s.<sup>34</sup> The vast majority of informal care is provided by grandparents. But with the increasing labour force participation of mature aged people and women in particular and the growing geographical dispersion of families, it is likely that demand for formal care for infants will increase. The changes to PPL may add to that pressure. In any event, availability of childcare has and remains a

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<sup>29</sup> See also Rønsen M & Kitterød RH 2015 ‘Gender-equalizing family policies and mothers’ entry into paid work: recent evidence from Norway’ *Feminist Economics*, vol. 10 (1), pp. 59-89.

<sup>30</sup> Martin et al 2014 *PPL Evaluation: Final Report*, Australian Government-Department of Social Services, Nov, pp. 5, 47-48.

<sup>31</sup> Martin et al 2014 *PPL Evaluation: Final Report*, Australian Government-Department of Social Services, Nov p.102.

<sup>32</sup> See for example the report of the Parental Leave in Australia Survey 2006 (undertaken prior to the introduction of Government PPL) indicating that nearly half of mothers working during the 12 months before their child was born and returning to work within 15 months, went back to work earlier than they wished due to financial reasons (pp.16-17):

<http://www.polsis.uq.edu.au/parental-leave/level1-report.pdf>

<sup>33</sup> ABS 2014 Childhood Education and Care, Australia, June 2014, Cat. No. 4402.0, Table 1  
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/4402.0>

<sup>34</sup> ABS 2014 Childhood Education and Care, Australia, June 2014, Cat. No. 4402.0  
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/4402.0>

persistent concern for many parents (to an even greater degree than quality and cost).<sup>35</sup> Anecdotal reports suggest this is particularly so for infants.<sup>36</sup>

## Negative International Comparisons

When Australia introduced the PPL Act in 2010 it was one of only two OECD countries to not have a mandated PPL scheme. The introduction was therefore a breakthrough in policy and immediately improved Australia's standing internationally with regard to women, work and parenting. The introduction of the policy was also in keeping with the movement in policies internationally and the recognition of women's increasing workforce participation and contribution to economic growth.

Renowned experts on parental leave policies highlight in their review of parental leave policies in 35 countries over the last decade that, despite economic challenges, parental leave policies continue to be developed and improved:

'Drawing on evidence from the network's past annual reviews, we are struck by *the continued development of leave policies overall*, despite the global crisis. While there have been a few examples of cutbacks, *the overall picture is one of nation states seeking to develop this policy area*. Leave, and related work/life policies, have benefited from the zeitgeist of 'social investment', providing a rationale for public spending to make best use of 'human capital'; and from the political appeal of such policies to increasingly well-educated cohorts of young women contemplating parenthood and wishing to remain attached to the labour market.' (Moss and Deven, 2015,<sup>37</sup> emphasis added).

The 2016 Annual Review of Leave Policies by the same experts point to similar conclusions,<sup>38</sup> continuing the expansionary trend noted in a pre GFC review.<sup>39</sup> The OECD concludes their current international comparison of paid parental leave schemes by making a similar point, that '[D]eclines in the availability of paid leave are rare.'<sup>40</sup>

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<sup>35</sup> See the annual statistical reports of the Household and Labour Dynamics in Australia (HILDA) survey including the 2015 one at pp. 17-18.

<sup>36</sup> 'Push for increase in childcare funding for babies and toddlers to urgently address shortage' SMH 25 March 2015:  
<http://www.smh.com.au/federal-politics/political-news/push-for-increase-in-childcare-funding-for-babies-and-toddlers-to-urgently-address-shortage-20150324-1m6hsp>

<sup>37</sup> Moss P and Deven F 2015 'Leave policies in challenging times: reviewing the decade 2004–2014', *Community Work and Family*, vol. 18 (2), pp. 137–144.

<sup>38</sup> Available at:

[http://www.leavenetwork.org/lp\\_and\\_r\\_reports/review\\_2016/?S=ohne%3F%3F%3Ftype%3D98%3Ftype%3D98%3Ftype%3D98%3F%3F%3F%3Ftype%3D98](http://www.leavenetwork.org/lp_and_r_reports/review_2016/?S=ohne%3F%3F%3Ftype%3D98%3Ftype%3D98%3Ftype%3D98%3F%3F%3F%3Ftype%3D98)

<sup>39</sup> Baker M and Milligan K 2008 'How Does Job protected Maternity Leave Affect Mothers' Employment?' *Journal of Labor Economics* 26(4) , 655-691.

<sup>40</sup> OECD Family database [www.oecd.org/social/family/database.htm](http://www.oecd.org/social/family/database.htm) at PF2.5. Trends in parental leave policies since 1970, p.1.

## Unnecessary Change to Employer Role

The proposal to remove the *obligation* on employers to pay instalments of the government PPL to an employee is unnecessary and unwarranted. It may lead to negative consequences in relation to women's attachment to work. The Phase 3 Evaluation Report<sup>41</sup> finds no evidence to support the removal of the employer role. It found that the majority of employers were easily able to organise the payments and that the costs were minimal:

'[T]he majority of employers found it easy to organise PLP.<sup>42</sup> More than four-fifths of organisations (81 per cent) agreed or strongly agreed with the statement "It was easy to organise payments for the PPL scheme." Just 17 per cent of all organisations disagreed or strongly disagreed with this statement. There were no significant differences across organisational size or sector.'<sup>43</sup>

'[T]hat most employers felt the costs involved in implementing the scheme were minimal. Only 29 per cent of employers stated additional costs were involved in implementing the scheme, responses which varied by organisational size. Medium-sized employers were least likely to report additional costs involved (23 per cent) in comparison to large (33 per cent) and small (32 per cent) employers.'<sup>44</sup>

The design of the PPL scheme is intended to promote mothers' attachment to their employer. One aspect of this is the mandatory role for employers in delivering it to employees which is intended to promote attachment and help employers with staff retention. As outlined above, the scheme has shown significant success in this regard.

## Conclusion and recommendation

By withdrawing the ability of Australian women to combine employer contributions with the government contribution to their financial well-being during parental leave, the effect will be to reduce income for approximately 50% of women who currently receive paid parental leave. The impact of this is to punish women financially and to diminish Australia's standing internationally.

It is an unfair and unjustified reduction in entitlements to working women that comes at a time when women are being asked to participate in the labour market in greater proportions.

The WWRG recommends the Bill be rejected in its totality.

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<sup>41</sup> Martin et al 2014 *PPL Evaluation: Phase 3 Report*, Australian Government-Department of Social Services, April 2014.

<sup>42</sup> Table 2.17, Martin et al 2014 *PPL Evaluation: Phase 3*, Australian Government-Department of Social Services, April.

<sup>43</sup> Martin et al 2014 *PPL Evaluation: Phase 3*, Australian Government-Department of Social Services, April, p.35.

<sup>44</sup> Martin et al 2014 *PPL Evaluation: Phase 3*, Australian Government-Department of Social Services, April, p119.