

15th December 2023

Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
CANBERRA ACT 2600



Dear Community Affairs Legislation Committee,

RE: Paid Parental Leave Amendment (More Support for Working Families) Bill 2023

We thank you for the opportunity to provide a submission regarding the expansion of Paid Parental Leave (PPL) entitlements proposed under the proposed Paid Parental Leave Amendment (More Support for Working Families) Bill 2023.

About Us

The Restaurant and Catering Industry Association (R&CA) is a national industry body representing the interests of over 57,000 restaurants, cafes, and catering businesses in Australia. The café, restaurant & catering sector is vitally important to the national economy, generating over \$37 billion in retail turnover each year as well as employing 450,000 people. Over 92 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment. R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability, and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the hospitality experience to the public.

Scope of the Bill

In its current form, the Paid Parental Leave Amendment (More Support for Working Families) Bill 2023 will increase the maximum parental leave entitlements by two weeks starting from July 2024 until it reaches 26 weeks from 1 July 2026.

These changes will allow parents to split the leave between them while reserving two weeks worth of leave for the non-primary claimant.

The mechanics of this Bill will allow parents to claim singular day instances or sporadic periods of PPL within 2 years of the birth or adoption of the claimant's child.

Our Response

The R&CA supports the expansion of the Australian government's PPL scheme to support broader gender workplace equity goals. Under this expanded PPL scheme, rates of workforce participation particularly among women, are set to increase through fostering a system that considers the role of both parents in caring for newborn or newly adopted children. This will also have a positive flow on effect on equalizing opportunities for career progression, potentially reduce the gender pay and superannuation gap among women and also remove structural impediments for businesses to retain high performing workers.

While the R&CA supports the objective to evolve the current parental leave system into one that is generous and gender balanced, we are concerned that this amendment will pose further logistical challenges for small businesses.

Concerns

The R&CA raises major concerns about this aspect of the Bill, particularly the challenges workplaces will face in accommodating for potential scenarios where a claimant seeks parental leave arrangements at minimum notice, for unspecified periods or on an ad hoc basis. Without a requirement for a notification threshold, businesses risk ongoing disruption to their operations. This is particularly impactful on small businesses within the service industry.

Hospitality operators generally rely upon employees working on-site and often cannot accommodate work from home arrangements. Due to current labour shortages, rosters are often developed well in advance, with business operations dependent on the reliability of employees.

Additionally, the imposition on employers to administer parental leave payments places an additional regulatory burden on businesses to serve as the Commonwealth's 'financial intermediary'. This only provides additional confusion surrounding the role and level of responsibility businesses are accountable for when payments are paid late or incorrectly.

Conclusion and Recommendations

Small businesses should therefore be given the opportunity to ‘opt-in’ to administering parental leave payments to. This would allow small businesses to focus on their primary business operations and alleviate further compliance obligations.

An amendment to the Fair Work Act should also be introduced to require employees to adhere to an enhanced leave notification threshold which would ensure employees advise their employers within a reasonable timeframe of PPL taken outside of an ordinary timeframe.

If you have any additional questions, please do not hesitate to contact the R&CA’s Policy & Campaigns Advisor Amy Roberts at policy@rca.asn.au.

Sincerely,



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& Catering