
1. Introduction

- 1.1 Business SA is the State's leading business organisation and represents thousands of business through direct membership and affiliated industry and association groups.
- 1.2 We deliver a wide range of integrated services to business, including:
 - Lobbying and representation on issues significant to industry
 - Workplace relations advice, advocacy and consulting services
 - Health, safety, environmental and injury management training and consultancy services
 - Wide-ranging training programs
 - Reference publications and handbooks
 - International trade and business development services
 - Management of apprenticeships and traineeships
 - Administrative support services for industry and trade associations
 - Networking opportunities
 - Workplace Relations seminars and workshops
- 1.3 Business SA is a registered association of employers under the South Australian *Fair Work Act 1994* and recognised under that and other legislation as the State's peak business and employer group
- 1.4 Business SA has also been granted federal registration under the Transitional Provisions of the Workplace Relations Act 1996.
- 1.5 As the peak employer organisation in South Australia, Business SA is well placed in representing the interests of members across most industries in South Australia.
- 1.6 Through membership of the Australian Chamber of Commerce and Industry (ACCI), Business SA is able, on behalf of the South Australian business community, to play an active role in national issues that impact on the local business community.
- 1.7 Business SA welcomes the opportunity to make submissions to the Productivity Commission (PC) in relation to the Inquiry into Paid Maternity, Paternity and Parental Leave.
- 1.8 Business SA also endorses the submissions of ACCI in relation to this matter and requests that our submissions below be considered in conjunction with the submissions of ACCI.

2. Paid Parent Leave – A Community Issue and Responsibility

- 2.1 Business SA supports the current review by the Productivity Commission (PC) into Paid Parental Leave (PPL) which we believe is a community issue and responsibility.
- 2.2 The challenge of balancing the demands of work and family is one of the most important social and economic issues facing the country and also includes the need to address Australia's declining birth rate.
- 2.3 Business SA recognises in saying that South Australia has the lowest birthrate in the nation and barriers to rising families in the State must be addressed to reverse this situation. Men and women should be encouraged to combine raising children with having a fulfilling career.
- 2.4 The issue of PPL is but one of the many components in a broader agenda of social policy.
- 2.5 Other important components in this agenda includes the availability of affordable, quality child care, the interaction with the complex tax and social security payments system and greater flexibility in the workplace.
- 2.6 In addressing the issue of implementing more family friendly initiatives in the workplace, the Australian Industrial Relations Commission (AIRC), in a major Test Case decision, approved a number of provisions to be included in federal awards. These provisions were subsequently flowed-on into State Awards.
- 2.7 Accordingly, employers are already supporting parenting and delivering day-to-day flexibilities through various measures at the workplace level.
- 2.8 In the current climate of more choices for families, some women will support getting back into the workforce as quickly as possible for financial or professional reasons, others will opt to stay at home until the children are older, while others yet again, will attempt to strike a balance between the two.
- 2.9 Obviously, various considerations such as a family's earning capacity, financial commitments, ethic culture and professional standing will influence what decision a family makes.
- 2.10 PPL is therefore not a 'total' solution to all the work and family issues or the declining birth rate but may represent a solution to a section of the workforce and may address some of the financial concerns that prevent women having children.
- 2.11 The benefits of PPL to employers will vary and it is best left to agreements being reached, if possible, at the workplace level.

3. Funding of PPL

- 3.1 The new Rudd Labor Government's pre-election announcement in July 2007 stated that they would 'examine further reforms to support parents with new born children...' (Media Statement 13th July 2007).
- 3.2 Importantly, the announcement also made it clear that 'any examination of future support to parents of newborn children would include consideration of the cost effectiveness of different options, and their impact on business and the social security system.'
- 3.3 Indeed, there is little or no support for PPL if employers are forced to pay for it. It would, amongst other things, more than likely lead to discouragement in the employment of women of child-bearing age.
- 3.4 Business SA supports a wide range of family friendly initiatives genuine at the workplace level including the ability of employers and employees reaching formal and informal agreement on paid and extended unpaid parental leave arrangements.
- 3.5 This support does not extend to any pressurised agreement making to include PPL provisions in agreements.
- 3.6 Business SA makes it clear that any PPL scheme must be wholly funded and administered by Government.
- 3.7 We also do not support any mandatory top up or additional payment by employers in this regard.
- 3.8 Business SA also raises concerns on any unintended consequences falling from any PPL scheme on employers. For example, Business SA would not support the ongoing accruals of leave entitlements including annual leave, sick leave and long service leave during such absences.
- 3.9 Further, the obligation on employers to pay superannuation contributions is applicable to 'ordinary time earnings'. Business SA would not see any Government funded PPL scheme as 'earnings' and therefore not attracting any employer contributions.
- 3.10 Business SA reiterates the Government's pre-election commitment not to impose any additional costs on small businesses or to discourage the employment of women in any paid parental leave scheme. This commitment should apply to all businesses and to the women that work for all businesses.
- 3.11 Up to 90 percent of South Australian businesses are small businesses which do not have the capacity to take on policies such as paid maternity leave. They do not have the capacity to pay. Business SA would not support any proposed legislation that fails to appreciate the realities of operating small businesses.

4. Further Consultation

- 4.1 Business SA understands that public hearings are scheduled for late November 2008 following the release of the Draft Report in September 2008.
- 4.2 Given the broad range of issues likely to be covered, Business SA strongly supports the opportunity to provide further submissions in response to the Draft Report at that time.