



DIVERSITY  
COUNCIL  
AUSTRALIA

Patron  
Mr Nobby Clark AO

13 November 2008

Productivity Commission  
GPO Box 1428  
CANBERRA ACT 2601

Dear Commissioner

Diversity Council Australia (DCA) welcomes the Commission's draft report, "Paid parental leave: Support for parents of newborn children" and congratulates the Commission on its thorough and comprehensive examination of this crucial productivity and economic development issue.

DCA is the independent, non-profit workplace diversity advisor to Australian business through our more than 100 member organisations – many of whom are among Australia's biggest employers. We are committed to assisting our members generate the business benefits of diversity through developing and implementing leading edge strategies for attracting, engaging, and retaining a talented diverse workforce.

Overall, DCA supports the Commission's proposed scheme as outlined in the draft report. The scheme is largely in alignment with that proposed by DCA in its submission to the Commission. DCA's submission was prepared as a result of extensive consultation with our members, many of whom are leading the way in efforts to attract, retain and promote women and respond to community expectations as to employment market offerings.

In particular, DCA congratulates the Commission on proposing a taxpayer-funded paid parental leave scheme that provides 18 weeks paid postnatal leave, able to be shared by eligible parents, with an additional two weeks paternity leave reserved for the father or same sex partner.

The eligibility criteria are also welcome – specifically, that the scheme relates to all employees (including self-employed, contractors, and casual employees) with a reasonable degree of attachment to the labour force, and covers a broad range of family types (including conventional couples as historically defined, sole parents, adoptive parents and same sex couples).

DCA also notes the Commission has clarified the intersection between the proposed statutory arrangement and any voluntary employer arrangements. This will assist employers determine appropriate actions to take should the statutory scheme be introduced.

DCA recognises that such a scheme not only provides health and wellbeing benefits for children and parents, importantly, it also encourages women to maintain their lifetime attachment to the employment market.

Most importantly, the proposed scheme is responsive to emerging community norms as to contemporary working patterns – namely, that taking time away from the paid workforce to care for an infant is a normal part of life and work for many people and particularly for many women.

DCA's only concern with regard to the proposed scheme is that businesses are required to act as 'paymasters' for the scheme, by providing capped superannuation contributions for employees for the period of leave taken, and initially paying their employees' statutory parental leave entitlements (for those employees entitled to unpaid parental leave under the National Employment Standards and where there is an efficient and timely way for government to fully reimburse that employer, preferably

through a credit to 'pay as you go' withholding payments to the ATO for those employers making at least monthly payments).

It would be DCA's preference that the Australian Government act in such a capacity for all employees covered by the scheme, on the basis that failure to do so would incur additional costs for employers and have adverse impact on cash flow, particularly for small to medium enterprises.

To close, DCA looks forward to hearing from the Commission about the final scheme. Should this scheme reflect DCA's position as outlined in this correspondence, DCA encourages the Australian Government to fully endorse the Commission's proposal.

Yours sincerely

Nareen Young  
Chief Executive Officer