



CANBERRA
BUSINESS COUNCIL

MEDIA RELEASE

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Business Council qualifies support for parental leave

Canberra Business Council has given qualified support to the proposed taxpayer-funded paid Parental Leave scheme recommended by the Productivity Commission today.

” The Council welcomes the fact that the proposed parental leave scheme will be largely funded by the Government and will encourage the retention of skilled staff and offer flexibility for parenting”, Chris Faulks, CEO of Canberra Business Council said today.

“Parental leave is becoming the standard in most developed countries in the world. Australia should be a leader in applying a balanced approach in the workplace”.

“But we have concerns about the burden that acting as paymasters for the scheme will impose on business, especially small business, and the fact that business will be required to continue paying 9% superannuation while staff are on up to 18 weeks parental leave”.

While endorsing the broad thrust of the Productivity Commission’s recommended Parental Leave scheme, CBC can see problems in compliance and superannuation costs.

“Our members are often subject to long waiting times for payments from government”, Ms Faulks said. “If the Government wants to transfer administration costs of the proposed scheme to businesses acting as paymasters then it must ensure that reimbursement of the parental leave payment is received promptly and that compliance documentation is minimal otherwise it will simply add yet another layer of red tape”.

“We are also concerned about the double burden of superannuation. Not only will employers be required to pay the superannuation contribution for new staff hired to replace those on parental leave, they will also be paying the ongoing super for the person on parental leave” Ms Faulks said. “Our members believe that the cost of superannuation should be included in the cost of the overall program.”

“We are in an uncertain economic environment and the pressures on business are growing. We welcome the introduction of paid parental leave, but this is not the time to add an additional administrative and cost burden on business”.

For further comment Contact:

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