

9 March 2010

The Hon Tony Abbott MP
Leader of the Opposition
Parliament House
CANBERRA ACT 2600

Business
Council of
Australia



Dear Mr Abbott

OPEN LETTER ON THE COALITION'S PARENTAL LEAVE PROPOSAL

The BCA would welcome an opportunity to speak with you as part of the consultation process you foreshadowed yesterday to inform the Coalition's development of its parental leave policy. We recognise work-family issues as integral to Australia's economic and social prosperity, which is why we have supported the idea of universal, federally-funded income replacement to allow women to take 14 weeks' leave after giving birth.

Australia needs to support higher workforce participation to prevent a decline in living standards as our population ages. Women of child-bearing age are currently under-represented and we need to find ways to encourage their participation. Access to paid maternity leave, as well as reasonably priced, high quality childcare, is an important piece of the jigsaw.

In responding to your announcement yesterday, we made the point that BCA members already take their responsibilities in this area seriously. The majority already offer paid maternity leave averaging 12-14 weeks. Our members, who collectively employ one million Australians, have led the way and several have been recognised through national awards for practices that facilitate work-family balance.

Rather than augment efforts businesses are already making, the policy you outlined concerns us on a number of fronts. In particular, the proposed scheme places a new tax burden on business at a time when governments around the world are lowering company tax to encourage economic growth. We are also mindful that funding an important social policy initiative through a tax on large business leaves the scheme vulnerable to the peaks and troughs of the economic cycle.

While the BCA appreciates the Opposition's aim to encourage workforce participation and work-family balance, we recommend closer consideration of the inevitable pitfalls of the approach outlined yesterday. We would be pleased to meet with you and your staff in coming weeks to discuss maternity leave and other measures to support higher levels of workforce participation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Katie Lahey', written in a cursive style.

Katie Lahey
Chief Executive