



ACCI SUBMISSION
TO THE HOUSE OF REPRESENTATIVES FAMILY AND HUMAN
SERVICES COMMITTEE

INQUIRY INTO BALANCING WORK AND FAMILY

APRIL 2005

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ACCI

- The Australian Chamber of Commerce and Industry (ACCI) is Australia's peak council of business associations.
- ACCI is Australia's largest and most representative business organisation.
 - Through our membership, ACCI represents over 350,000 businesses nationwide, including:
 - Australia's top 100 companies.
 - Over 55,000 medium sized enterprises employing 20 to 100 people.
 - Over 280,000 smaller enterprises employing less than 20 people.
- Businesses within the ACCI member network employ over 4 million working Australians.
- ACCI members are employer organisations in all States and Territories and all major sectors of Australian industry.
- Membership of ACCI comprises State and Territory Chambers of Commerce and national employer and industry associations. Each ACCI member is a representative body for small employers and sole traders, as well as medium and larger businesses.
- Each ACCI member organisation, through its network of businesses, identifies the policy, operational and regulatory concerns and priorities of its members and plans united action. Through this process, business policies are developed and strategies for change are implemented.
- ACCI members actively participate in developing national policy on a collective and individual basis.
- As individual business organisations in their own right, ACCI members also independently develop business policy within their own sector or jurisdiction.

ACCI Activity on Work and Family

- In recent years the Australian Chamber of Commerce and Industry (ACCI) has been actively involved with industry and industry organisations in work and family issues, at a promotional, policy, conciliation and arbitral level.

- Our activity in this area is in recognition of the importance the issue has in the contemporary workplace environment – both in dealings between employers and employees, and in pursuing national goals of increasing workforce participation.
- ACCI activity has included:
 - a) Partnership (since 1994) in the ACCI/BCA National Work and Family Awards. These awards are the pre-eminent national awards in Australia recognising excellence in work and family initiatives and outcomes in workplaces in all regions and of all sizes.
 - b) Development and adoption (in 2002/03) of the first formal joint statement of policy on Work and Family by each of the employer and business organisations comprising the ACCI member network. That Work and Family Policy is referred to in this submission.
 - c) The development of employer claims (in 2003 – the ACCI *Work+Family Solutions Package*), and then lead representation of employers in the 2003/04 National Family Provisions Test Case before a 5-member full bench of the Australian Industrial Relations Commission (decision reserved, at the time of this submission). ACCI's role in this conciliation and arbitration proceeding included reaching a conciliated outcome on certain matters (including agreement to extend the period of personal leave that can be used for family caring purposes). ACCI's participation in these proceeding followed earlier lead industry representation in the Family Provisions Test Case of the early 1990's, and the conciliated national agreement a few years later to extend parental leave entitlements to certain categories of casual employee. These matters are also referred to in this submission.
 - d) Publications and speeches on the work and family issues being faced by Australian employers.
 - e) Representation of Australian employers in international debates on employment issues, including work and family, in the forums of the International Labour Organisation.
 - f) Liaison and working relationships with other bodies and organisations involved in these issues, including the Commonwealth Sex Discrimination Commissioner, the Equal Opportunity for Women in the Workplace Agency and the Council for Equal Opportunity in Employment.

The Committee's Inquiry

- The Inquiry by the House of Representatives Family and Human Services Committee provides an opportunity to assess the current status of national policy on some important issues that bear on work and family.
- ACCI's submission to the Committee draws on the work areas undertaken by ACCI on these issues. It is not designed to be a comprehensive submission – the volume of material, for example, prepared by ACCI and other parties in the Family Provisions Test Case before the Australian Industrial Relations Commission may be of interest to the Committee but is too great to annex to this submission.
- ACCI's submission is structured along the lines of the Committee's terms of reference:

“The Committee shall inquire into and report on how the Australian Government can better help families balance their work and family responsibilities. The Committee is particularly interested in:

- the financial, career and social disincentives to starting families;
- making it easier for parents who so wish to return to the paid workforce; and
- the impact of taxation and other matters on families in the choices they make in balancing work and family life.”

- ACCI notes that the terms of reference refer specifically how “the Australian government” can better help families achieve work and family balance. Our submission necessarily takes a slightly broader perspective – it includes reference to how employers (and employees themselves) can contribute to this goal. These are not unrelated notions though. As is clear from our submission, the extent to which employers can play a role in this objective is in part dependent upon the nature of the system of workplace regulation in Australia. That is the responsibility of governments.

Summary of ACCI Submission

1. Key policy areas for the attention of government are:
 - i) Workplace relations law and policy;
 - ii) Workforce re-entry training;
 - iii) Family payments;
 - iv) Childcare;
 - v) Taxation Incentives.

2. On workplace relations law and policy, the policy objectives should be:

2.1 Jobs are the top priority: There is no greater contribution Australian society can make to families than providing a strong, job-generating economy, and increasing living standards. Policies which support the capacity of businesses to prosper and create jobs are the best contribution our society can make to its families.

2.2 Flexibility, mutual choice, informality, sustainability and workplace determination are key objectives: The primary contribution policy makers can make to addressing work and family issues in Australian workplaces are:

- 2.2.1 a flexible workplace relations system consistent with the objectives of the ACCI policy blueprint *Modern Workplace: Modern Future 2002-2010*;
- 2.2.2 encouraging and supporting formal or informal workplace agreements on work and family issues;
- 2.2.3 recognising that many businesses will be limited in their capacity to accommodate employee family issues;
- 2.2.4 recognising that employers have responded on work and family issues and implemented measures where these are practical and sustainable. Scope for practical, day-to-day informal responses on work and family issues must be maintained;
- 2.2.5 acknowledging that it is appropriate that employers continue to decide the practicality and sustainability of responses to particular work and family issues.

2.3 Economic and business considerations must balance employee preferences: Accommodating employees on family issues may, in some instances, be beneficial to a business (such as through skill retention) but may also be a cost to employers (such as through reduced productivity, administration costs, reduced flexibility in production and service, and additional costs of substitute staff). Employers will weigh the needs of their business and the costs imposed and determine if they can accommodate employee requests. Employers must have scope make these determinations based on the needs of their business and its customers. Employers who conclude that employee requests cannot be accommodated are exercising approaches which are perfectly legitimate and consistent with contemporary workplace bargaining.

2.4 Bargaining over Work and Family involves a mutual exchange: Some employers that choose to bargain on work and family issues may seek

reciprocal operational, cost or work practice changes from employees. Bargaining over these issues involves the pursuit of common objectives and recognition of each party's legitimate interests.

2.5 Employers and employees must be able to agree to vary working arrangements without additional cost: Introducing work and family measures into a workplace without imposing additional costs is the best way to maintain employment and expand job opportunities. This may mean that:

- 2.5.1 agreed variations to working arrangements are implemented without additional operational costs and with efficiency trade-offs;
- 2.5.2 time not worked due to the accommodation of an employee's family related requests is made up without additional cost;
- 2.5.3 access is made to accrued leave and other entitlements to meet employee requests for additional flexibility relating to family issues.

2.6 There is a role for a safety net of minimum employment conditions: There is a legitimate role for a genuine safety net in this area (such as minimum standards of parental and carers leave). However:

- 2.6.1 ACCI does not support the misuse of the award safety net as a substitute for the proper role of bargaining;
- 2.6.2 codifying family issues in an award based system would be ineffective. The diversity of business and employee circumstances and interests needs to be recognised, and for these issues to be appropriately considered when they arise and on the merits of the circumstances at that time;
- 2.6.3 one significant contribution the award system can make to the creation of an environment in which employers may be more able to accommodate employees on family issues is removing award inhibitors to the flexible organisation of work, including restrictions on part time work.

2.7 Work and Family may not be a priority for all employees or all employers: Just as employees will not on occasion have the flexibility to adjust their lives to meet the changing priorities of employers, many jobs will not be capable of variation to accommodate employee family issues. Priorities of both businesses and individuals vary. Some employees prefer to maximise income and working hours, whilst others place greater priority on family and leisure time. Businesses which cannot accommodate multiple or differential

working arrangements should not be expected to create artificial or non-commercial working arrangements or forms of employment.

2.8 One size cannot fit all: There is no universal set of family priorities that can be generalised for all Australian businesses or employees. Any attempt to impose one-size-fits-all prescriptions across Australian workplaces will stifle creative, innovative, workplace focused approaches to work and family issues, and operate to the detriment of employees, and ultimately their work and their families. Policies which recognise the diverse range of business needs and employee circumstances are the best way to achieve practical improvements at the workplace level to the work and family balance.

3. The Commonwealth (and all governments) can take a leadership role in their capacity as an employer of public sector employees – acknowledging though the well recognised principle that public sector employment capacities and conditions do not and should not form a basis for safety net employment conditions in the private sector.
4. On education and training, it must be recognised that the vocational education and training system can materially assist parents who are seeking to re-enter the workforce, particularly where someone has been absent from the workforce for an extended period for family purposes. Australia needs policies that encourage the re-training of employees who have been absent from the workforce and facilitates appropriate recognition of prior learning to assist with this.
5. On family payments, governments have a proper role to establish and maintain an appropriate system of targeted support for parenting.
6. On childcare, governments need to recognise that policies which contribute to accessible childcare can have a very direct and identifiable impact on the work and family balance. Whilst government must always assess its capacities to assist individuals or private operators against other considerations, there is no doubt that measures to help meet a growing demand for child care would materially contribute to another goal of policy – increasing workforce participation by those of working age in our community.
7. On tax, reform of personal income tax levels can also provide a greater incentive for people to return to the workforce and provide greater incentive to accumulate human capital. In this submission we provide details of ACCI policy proposals to reform current personal income tax arrangements.

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Attachments

ACCI Work and Family Policy

Extract, ACCI Modern Workplace: Modern Future Blueprint (Chapter 9.4) ‘Work and Family’

ACCI Review (April 2002) ‘Who Pays For Parenthood’

ACCI Review (January 2003), ‘Dissecting the Work and Family Debate’

ACCI Review (October 2004), ‘National Work and Family Test Case – A Lot At Stake’

ACCI Work+Family Solutions Package (August 2003)

Introduction ‘Work and Family In Contemporary Australia’, ACCI/NFF Submission To AIRC Family Provisions Test Case (April 2004)

ACCI Best Practice Paper No 7 ‘Encouraging Work and Family Measures In Australian Workplaces’ (September 2000)

ACCI Article ‘The Sex Discrimination Act – An Employer Perspective Twenty Years On’ (Published University of NSW Law Journal, December 2004)

Financial, career and social disincentives to starting families

8. The contemporary work and family challenge is to develop policy arrangements that cater for the diverse needs of Australian families and parents.
9. An increasing diversity of working and family arrangements is the key demographic development that has occurred in Australia in the past thirty years.
10. While many families still choose to follow traditional models of workforce participation, with one parent working full-time and the other staying home to care for children, other arrangements have become increasingly prevalent.
11. These include households where both parents choose to work full-time, or households where one parent works full-time, and one parent works part-time (sometimes referred to as 1+ 0.5 households by researchers).
12. For those families where parents are choosing to combine work with parenting responsibilities, there appear to be two key mechanisms that can assist in balancing work with parenting responsibilities: flexible workplace relations arrangements and access to childcare.
13. Greater diversity requires a greater capacity for choice on the part of parents in relation to their working conditions, and at various times in their working lives.
14. The challenge therefore is to accommodate choice within commercial realities and to allow those people who wish to combine paid work with parenting to do so.
15. Choice requires flexibility in regulation and a culture in the workplace that is conducive to the exercise of choice. However choice does not mean compulsion, either on the part of employees or of potential employers, in connection with particular employment arrangements. Choice means exactly that – a framework which allows the free choices of both workplace parties to be given expression.

Combining Work with Parenting

16. The labour force participation of mothers and fathers continues to differ markedly. In particular, men are more likely to seek full-time work, whereas part-time work, or casual employment for part-time hours, appear to be more popular choices for mothers combining work with parental responsibilities.
17. The Australian Institute of Family Studies has summarised parental labour force participation in the following way¹:
 - a. 52% of mothers of couple families and 34% of sole mothers with their youngest child under 5 were in the workforce;
 - b. By the time the youngest child is 5 to 9 years old, 72% of mothers in couple families and 62% of sole mothers were in paid work;
 - c. By the time the youngest child is 10 to 14 years, 76% of mothers in couple families and 61% of sole mothers were in the workforce;
 - d. For fathers in couple, regardless of age of youngest child, 95% were in the workforce.
18. It is clear from the patterns of parental labour force participation, listed above, that access to part-time work is an increasingly important requirement for many working parents. Part-time work is a key means of balancing preferences for work with family responsibilities.

What are the working preferences of people with parenting responsibilities?

19. Preference research concerning working mothers conducted by the Australian Institute of Family Studies has established that:
 - a. When their youngest child is under five years, the majority of mothers prefer to be in part-time work;
 - b. There are high levels of satisfaction with hours for those mothers working less than full-time hours;

¹ "Work and family values, preferences and practice", Glezer, H and Wolcott, L, *Australian Family Briefing No. 4 of 1997*, AIFS.

- c. Even where children are over five years, preferences for less than non-full time work persist.

Delivering career and workforce opportunities for parents

20. The key to providing opportunities to parents is to have a dynamic economy that is growing and creating jobs. This is often overlooked in many discussions of contemporary work and family issues. Without an economy delivering jobs, there will be limited opportunities for parents to develop careers and avail themselves of work opportunities.
21. Over the past ten years, Australia has had an impressive track record of jobs growth; unemployment has declined steadily to sit at 5.1% in March 2005 according to ABS figures.
22. This achievement, while impressive, does not mean that there is not more that can be done. Australia still has half a million unemployed and double digit underemployment. Significant additional progress will be difficult without further and more systematic reform of labour market arrangements.

Labour market flexibility remains the key to work and family balance

23. While the preferences and labour market participation patterns of parents has changed drastically since the 1970's, our system of labour market regulation continues to be highly prescriptive and for many employees, substantially rigid.
24. These labour market rigidities hinder the exercise of choice so necessary to the achievement of work and family balance.
25. Fundamental labour market reform, which produces a more flexible labour market, reduces reliance on rigid award conditions, and encourages genuine workplace level bargaining, is the key policy initiative that can be introduced to help produce greater work/family balance.
26. Demographic change means that more and more Australians are now seeking to combine work with parenting responsibilities. To do this,

Australia needs to have in place a system of employment regulation capable of supporting a diversity of employee preferences.

27. There is evidence that workplace bargaining is doing this now; further reform, with an increased emphasis on bargaining, can only assist this process.

Reforms achieved to date

28. Major workplace relations reform occurred with the passage of the *Industrial Relations Reform Act 1993* (Keating government) and the *Workplace Relations Act 1996* in 1996 (Howard government). Both amending Acts moved (in different ways) the system of regulation towards a bargaining model, whilst retaining significant elements of centrally determined safety nets (and quite extensive regulation of bargaining processes).
29. The amending Acts were bold steps. They contained specific work and family objectives enacted in the statute. They sought to place agreement-making at the heart of a reformed workplace relations system, and to make it a live consideration in arbitration. The 1996 amendments in particular accelerated this process by moving bargaining into non unionised workplaces (in theory, the 1993 Act allowed collective non union bargaining), through both collective and individual arrangements, and limited the role of centrally determined award regulation to that of a safety net of 20 allowable matters.
30. In reality though, the influence of industrial tribunals and awards has remained relatively pervasive. It appears that a significant cohort of employees – around twenty per cent – remains on relatively rigid award arrangements and do not take the ‘leap’ into agreement making.

Table One: Proportion of Award Only Employment (Total)²

	2000 EEH ³	2002 EEH ⁴	2004 EEH ⁵
Employees on awards only (%)	23.2	20.5	20.0

² ABS Employee Earnings and Hours (EHH) data: ABS Cat. No. 6306.0

³ ABS, EEH, May 2002, Table 2000, Table 25

⁴ ABS, EEH, May 2002, Table 2002, Table 24

⁵ ABS, EEH, May 2002, Table 2004, Table 15

31. Awards have, to a certain extent been ‘simplified’, but generally-speaking, remain relatively rigid in relation to matters such as leave, rosters, type of employment, breaks, and the manner in which they address leave entitlements. Awards originally had a strong orientation and presumption in favour of full-time, male employment. Although much work has been done to reform awards so that they can better support work and family balance, progress has been uneven and limited. Arguably, awards by their very nature are relatively rigid instruments and cannot accommodate the diverse range of needs and preferences which have emerged in contemporary Australia.
32. The various means that awards can restrict choice are multiple but some examples include:
 - a. The treatment of leave in awards, and in particular, a lack of flexibility in how leave may be taken;
 - b. In regard to the types of employment that can be entered into under awards. Some awards still do not provide access to part-time employment; in other awards, casual employment can only be engaged in for a very limited time;
 - c. The timing of breaks is often very rigid in awards, and parents sometimes express a desire to shift breaks to, for example, pick up children from school or address other family matters and
 - d. Flexibility in entitlements, or the capacity to trade certain entitlements for others.
33. These award rigidities are at the heart of the 2003/04 *Family Provisions Test Case* before the Australian Industrial Relations Commission.
34. The Committee should note the potential significance of this national proceeding to its inquiry.
35. The case commenced in 2002/03. Conciliation occurred throughout 2003. Some significant matters were resolved by conciliation between ACCI, the ACTU and other parties. The conciliated agreement (yet to be endorsed by the Commission) holds the prospect of two significant additions to the employment safety net in Australia:

- a. A right for an employee to use (subject to some conditions) the whole of their personal leave (10 days per year) for family caring purposes (i.e. not their personal sickness, but the personal sickness of a family member for whom they care); and
 - b. A right for a casual employee to seek (limited) unpaid absence from work for family caring purposes without disadvantage to their employment.
36. That ACCI was able to bring about agreement within the employer movement to these measures, in the face of other hostile union claims, is an indication of the willingness by employer associations and their members to take seriously work and family matters and to seek to establish a reasonable and commercially workable framework of law and policy to that end.
 37. This agreement followed the earlier conciliated agreement in the late 1990's when it was agreed that awards should be varied to allow certain casual employees access to parental leave.
 38. These are not inconsiderable expansions to the safety net under the auspices of the 1996 Amending Act.
 39. Matters not agreed in the conciliation process during 2003 were arbitrated by a 5-member full bench of the Commission in 2004. Extensive written and oral evidence and submissions were taken, from experts and from employers and employees. The case was of massive proportions.
 40. Interestingly, the arbitration involved both ACTU and employer claims.
 41. ACCI adopted a proactive approach. Rather than simply oppose hostile ACTU claims for new employment rights, ACCI developed a set of employer claims that were collectively adopted by over 30 employer organisations in the ACCI member network. These claims are known as the ACCI *Work+Family Solutions* package. The ACCI claims are directed at giving an individual employee the scope to reach an agreement with their employer to vary award regulation on hours, leave or rosters where that variation is based on an employee request and where the reason for the request is the meeting of that employee's family responsibilities.
 42. ACCI led representation of employers in the arbitration, and submissions were put jointly with the National Farmers' Federation.

43. The case is significant not just for the nature of the employer response, but also the fact that the position of the ACTU (in seeking new rights) and the position of employers (in seeking new employee initiated flexibility to change award regulation) are not mutually exclusive. The Commission could, conceptually grant both new rights and new flexibilities or a combination thereof (not that, in our view, it should).
44. As at the date of this submission to the Committee, the Commission's decision is reserved.
45. In making an oral submission to this Committee, ACCI will be pleased to outline in more detail the nature of either the conciliated agreement or the arbitrated claims.
46. Attached to this submission is a copy of the ACCI *Work+Family Solutions* package of claims. Also attached is a (small) part of the ACCI written submissions – the introduction to the ACCI/NFF Outline of Contentions in Support of the ACCI/NFF applications April 2004. A number of other articles from the *ACCI Review* are also attached (January 2003 and October 2004).
47. ACCI has also produced a policy Blueprint, *Modern Workplace: Modern Future*, which proposes further, fundamental labour market reform, and articulates the benefits of such reforms for the Australian community⁶. It includes a specific section devoted to Work and Family, which is also attached.

Agreement-making remains the key to achieving better work and family balance

48. The key, therefore, to better achieving work and family balance involves having a truly flexible workplace relations system based around choice and agreement-making at the workplace level. Australia has taken important steps towards the realisation of such a system, but further substantial reform is required.
49. There is ample evidence in agreement-making of employers and employees agreeing to a broad range of measures designed to assist employees to balance their work with family responsibilities.

⁶ The ACCI Workplace Policy Reform Blueprint is available at:
<http://www.acci.asn.au/WRBlueprintMain.htm>

50. ACCI has examined these measures in its publication *Encouraging Work and Family Measures in Enterprise Agreements*⁷. That publication identified a very high level of innovation, through agreement-making, including the following measures:
- a. Access to part-time and casual employment;
 - b. Personal/carer's leave and family provisions;
 - c. Unpaid leave for personal and family reasons;
 - d. Flexible start and finish times;
 - e. Other flexible approaches to hours of work (e.g. make-up time, time off in lieu of overtime etc);
 - f. Employee assistance and counselling programmes;
 - g. Assistance with childcare;
 - h. Job sharing;
 - i. The purchasing of additional annual leave and
 - j. Provision for working from home.
51. The diversity of provisions which have been successfully introduced through workplace level bargaining reinforces the benefits that can be gained from bargaining. It is imperative that additional policy measures are introduced to further encourage and employees to shift away from award-based employment regulation to arrangements introduced through bargaining.
52. ACCI sponsors excellence and innovation in work and family bargaining through its role as a co-partner of the ACCI/BCA Work and Family Awards. These awards recognise the contributions employers have made in their workplaces to improved work/family balance. ACCI can provide the Committee with more information on these awards if needed. Many of the applicants to these awards have used workplace bargaining to introduce new and innovative work and family measures.

⁷ *Encouraging Work and Family in Enterprise Agreements*, ACCI Best Practice Paper No. 7, 2000.

ACCI Work and Family Policy

53. In 2003 ACCI developed first formal joint statement of policy on Work and Family by each of the employer and business organisations comprising the ACCI member network. The *ACCI Work and Family Policy* is a realistic collective statement of the contemporary employer position. It is able to provide both leadership and guidance to employers on how to approach policy and workplace issues.
54. In assessing the statement it should be recognised that it does not just reflect the view of employers with well-resourced capacities to meet work and family requests or take work and family initiatives. As mentioned in the introduction to this submission, the ACCI member network is overwhelmingly comprised of small and medium businesses. Workplace policy needs to be relevant to their circumstances, as much as larger businesses.
55. The *ACCI Work and Family Policy* is attached.
56. It is also acknowledged that appropriately balanced equal opportunity and sex discrimination laws can contribute to the regulatory framework established by governments seeking to pursue work and family objectives. ACCI has recently completed a retrospective on the operation of the *Commonwealth Sex Discrimination Act 1984*. A copy is attached to this submission for information of the Committee.

Childcare

57. Social changes mean that extended families are now often less available to assist couples with childminding activities. This, combined with the rise of dual earner and 1+ 0.5 earner households, means that there is no a far greater demand for childcare services than in previous generations.
58. The importance of childcare in terms of promoting overall work/family balance and allowing parents to re-enter the workforce has been recognised by researchers and by governments.
59. A range of additional measures aimed at improving childcare were included in the 2004/2005 Federal Budget. In particular, the Budget

provided for an additional 40,000 outside school hours child care places and an extra 4,000 family day care places⁸.

60. Governments need to recognise that policies which contribute to accessible childcare can have a very direct and identifiable impact on the work and family balance. Whilst government must always assess its capacities to assist individuals or private operators against other considerations, there is no doubt that measures to help meet a growing demand for child care would materially contribute to another goal of policy – increasing workforce participation by those of working age in our community.

Family Payments

61. Governments have a proper role to establish and maintain an appropriate system of targeted support for parenting. This is a long standing feature of Australian public policy.
62. A range of additional family income support measures were also included in recent federal Budgets and should have the overall effect of improving family income levels, thus also benefiting families.
63. This is a far preferable way than imposing a compulsory paid maternity leave scheme on Australian employers. ACCI supports employer funded paid maternity leave where it is voluntarily introduced in those workplaces that have the capacity to do so and assess a nett benefit in doing so. The fact that nett benefits exist for some employers is not disputed. Conversely, ACCI opposes compulsory employer funded paid maternity leave. The fact that nett costs for some employers exist cannot also be disputed.
64. A system of family payments related to periods after the birth of children is the superior public policy option for governments if a whole of workforce approach to policy is to be adopted.
65. ACCI has consulted extensively within the employer community on this issue. Submissions to the Commonwealth Sex Discrimination Commissioner's 2002 inquiry and options paper '*A Time to Value*' were extensive. For brevity, we do not attach all of this work to this submission. We do however attach an article from the ACCI Review (April 2002) on

⁸ 2004/2005 Budget Overview: Working For Families, p. 5

the topic *'Who Pays for Parenthood'* that identifies key issues from an employer perspective.

The role of the vocational education and training system in helping parents return to the workforce

66. The vocational education and training system can materially assist parents who are seeking to re-enter the workforce, particularly where someone has been absent from the workforce for an extended period for family purposes. Australia needs policies that encourage the re-training of employees who have been absent from the workforce and which facilitate appropriate recognition of prior learning to assist with this.
67. A particular focus needs to be on re-training necessary to re-familiarised with the skills and processes required in an ever-changing workplace.
68. The vocational education and training system can in particular facilitate the return of skilled mature aged persons, who may have left the workforce for some period to care for children, through appropriate recognition of prior learning arrangements. Recognition of prior learning (RPL) can also identify skill gaps and thus target re-training.
69. Where mature aged employees wish to undertake more extensive re-training, other measures to fast-track such training to the extent possible merit consideration, such as measures to provide speeded-up completion of apprenticeship training for mature-aged employees who are returning to work and learning a new skill.

Taxation Reform can assist Parents and Families

70. It is ACCI's view that there should be fundamental reform to personal taxation arrangements to provide greater incentive to work for all Australians, including parents returning to the workforce.
71. Some commentators have suggested that income splitting is a taxation proposal which will benefit family incomes and encourage workforce participation. This proposal would in ACCI's view be a very expensive approach for Government and the objectives that can be achieved through income splitting could be better achieved by implementation of the full range of taxation reforms proposed by ACCI. Income splitting may also have the effect of reducing workforce participation for second income

earners because income splitting increases the effective marginal tax rate for second income earners.

72. ACCI proposes the Government implement the following reforms to personal income tax:
- a. Implement, as a first step, the original tax schedule proposed at the time of the introduction of the GST;
 - b. Ensure the elimination of bracket creep via the indexation of taxation thresholds;
 - c. Gradually reduce the top marginal rate to the same level as the corporate rate;
 - d. Over a longer period seek to reduce the number of tax thresholds to the minimum number possible and preferably no more than two; and
 - e. Decrease the taxation on savings income and reintroduce the 15 per cent tax rebate on savings.
73. ACCI has produced a comprehensive Blueprint for taxation reform which we commend to the Committee⁹.

⁹ The Taxation Reform Blueprint is available at <http://www.acci.asn.au/TaxBluePrintMain.htm>

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ACCI Best Practice Paper No 7 'Encouraging Work and Family Measures In Australian Workplaces' (September 2000)

ACCI Article '*The Sex Discrimination Act – An Employer Perspective Twenty Years On*' (Published University of NSW Law Journal, December 2004)