

SUBMISSION TO THE PRODUCTIVITY COMMISSION:

INQUIRY INTO PAID MATERNITY, PATERNITY AND PARENTAL LEAVE (2008)

This submission is made on behalf of the Real Estate Employers Federation of Western Australia (REEFWA).

REEFWA is Western Australia's only real estate specific employer association representing over 400 real estate employers, the majority of which are small businesses with less than 30 employees.

The real estate industry is a major employer of women, employing women as sales representatives, property managers, licensees, book-keepers, administration/office managers, receptionists and general clerical staff.

The existing entitlement to 52 weeks of unpaid parental leave

Currently, the real estate industry, being made up of mostly small businesses, struggles with the costs of the existing entitlement to 52 weeks of unpaid parental leave.

In many instances, when an employee uses this entitlement, the typical real estate business experiences many of and often times all of the following:

- Lack of continuity with existing clients
- Fragmentation of the working team
- Severe difficulty in temporarily replacing an employee on parental leave (exacerbated by the current labour shortage)
- Costs associated with the recruitment of a replacement employee
- Costs associated with training a replacement employee (these costs are considered greater than training a new long term employee as the replacement employee is only temporary)
- Costs associated with re-training an employee returning from parental leave
- Costs associated with the recruitment of an additional employee to supplement an employee returning from parental leave who then chooses to return on a part-time or job-share basis.

Employer funded paid parental leave

Given that employers in the real estate industry already incur a considerable expense when an employee uses their entitlement to unpaid parental leave, there is great opposition to the introduction of an employer funded entitlement to paid parental leave. Employers in the real estate industry believe that an entitlement to employer

funded paid parental leave will impose an unnecessarily high financial burden upon employers which will ultimately impact upon the future viability of a small business.

Employers in the industry believe that employer funded paid parental leave will only be an encouragement to employ those who are not likely to utilise such an entitlement thereby leading to a greater potential for discrimination. That is, there will most likely be a greater commercial bias against those who are family oriented.

Government funded paid parental leave

The funding of paid parental leave by the Government from general revenue will do nothing for the costs already associated with unpaid parental leave and incurred by small business. In fact, it is a logical conclusion, that if there were a system of government funded paid parental leave, it is most likely that more employees would use such an entitlement or use the entitlement more times and therefore small business may very well incur the above costs (currently associated with unpaid parental leave) with greater frequency.

Given the considerable expense already incurred by small business as a result of the use of unpaid parental leave, real estate employers also oppose the introduction of government funded paid parental leave from general revenue.

In conclusion

Any investigation into parental leave, whether it be paid or unpaid, requires a careful examination of the cost to business and in particular small businesses. As detailed above, even unpaid parental leave can be at a considerable cost to small business. These costs can be prohibitive toward the ongoing viability of a business.

It is vital that the development of a policy on paid parental leave should include the careful analysis on the impact and cost on small business and must aim to reduce this financial burden.