

31 August 2022

Productivity Commission
GPO Box 1428
Canberra, ACT 2601

via email: carersleave@pc.gov.au

Dear Ms Goss

Carer Leave – Issues Paper

We welcome the opportunity to comment on the Productivity Commission's *Carer Leave – Issues Paper*. We recognise the need for advances to be made in aged care and understand that informal carers play an integral part in Australia's care system. It is important that the Productivity Commission (PC) consider the indirect costs unpaid carer's leave may impose on a small business employer. Small businesses do not have the resources of their larger counterparts to rapidly absorb changes in workforce availability. As such, these reforms will present a disproportionate impost on the small business sector.

This inquiry is an opportunity to definitively model the costs associated with an employee taking unpaid leave. The cost of leave, even unpaid leave, can be significant on small and family businesses. For example, if unpaid leave was taken at short notice, the costs to a business could include:

- the time a small business owner might spend finding replacement staff;
- overtime rates payable to staff working outside their regular hours;
- potential opportunity costs for a business not operating at full capacity; and
- the emotional and physical strain placed both a small business owner and their employees associated with running an understaffed business.

We recognise the need to ensure Australia's industrial relations system has sufficient flexibility to accommodate a wide variety of lifestyle demands. However, it is important consideration be given to the above challenges through policy design. Further, we note that small businesses are already under extreme pressure in finding sufficient workers to fulfil operational requirements and consideration should be given to the timings of any changes to employee entitlements.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Lachlan Bayliss

Yours sincerely

The Hon. Bruce Billson
Australian Small Business and Family Enterprise Ombudsman