

26 August 2022

Carer Leave Inquiry  
Productivity Commission  
Level 8, Two Melbourne Quarter  
697 Collins Street  
Docklands VIC 3008

via website: [www.pc.gov.au/inquiries/current/carers-leave](http://www.pc.gov.au/inquiries/current/carers-leave)

## ARA SUBMISSION TO PRODUCTIVITY COMMISSION REGARDING INQUIRY INTO CARER LEAVE

### INTRODUCTION

The Australian Retailers Association (ARA) welcomes the opportunity to participate in the Productivity Commission's Inquiry into Carer Leave and to provide comment on the Issues Paper.

The ARA is the oldest, largest and most diverse national retail body, representing a \$360 billion sector which employs 1.3 million Australians and is the largest private sector employer in the country. As Australia's peak retail body, representing more than 100,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects and unifies our independent, national and international retail community.

We represent the full spectrum of Australian retail, from our largest national and international retailers to our small and medium sized members, who make up 95% of our membership. Our members operate across all categories - from food to fashion, hairdressing to hardware, and cosmetics to computers.

### CARER LEAVE IN A RETAIL CONTEXT

The ARA understands that the scope of the Commission's Inquiry is to consider the potential impact of amending the National Employment Standards (NES) to provide an entitlement to extended unpaid Carer Leave for employees providing informal care to older people who are frail and living at home, as well as the social and economic costs and benefits of such a change to the NES.

The ARA supports the intent of the Issues Paper and as employers, ARA members are interested in the potential impact an entitlement to Carer Leave would have on their businesses, large and small. If Carer Leave were to be introduced, we would like to see a framework where there is sufficient notice and time for employers to cover these leave periods, whilst providing flexibility for employees to manage their caring responsibilities.

The health and wellbeing of employees is critically important in retail where so many are in frontline roles. ARA members strive to ensure that employees are supported in looking after their own personal health as well as the health and wellbeing of their immediate family and household. To that end, some larger ARA members have policies in place to allow employees to take additional personal/carer leave. Such leave can currently be used to provide care and support to a member of an employee's immediate family or household.

Many ARA members are small businesses and we suggest that they would approach requests for carer leave on a case-by-case basis. We therefore support exempting small business from any obligation to provide extended unpaid carer leave.

The ARA acknowledges the policy intent of the proposed carer leave is to provide more support for informal carers, and that it will also likely boost women's workforce participation and improve employee retention.

Women make up 56.4% of retail trade employees.<sup>1</sup> The ARA recognises that women are often balancing caring responsibilities with employment and we are committed to promoting gender equality and diversity in the workplace, as demonstrated by our position statement on gender equality, diversity and inclusion.<sup>2</sup>

We therefore understand that providing flexible leave arrangements for employees will enable women who are carers to fulfil family obligations without losing their connection to secure employment. There is also the benefit to employers in retaining skilled staff.

We note, however, there are several potentially significant challenges for an employer including barriers to temporarily replacing staff who take extended carer leave. It can be difficult to temporarily fill positions, particularly in highly skilled roles, for an indefinite length. This also creates uncertainty for temporary staff contracted to backfill these gaps. Further, current Enterprise Agreement structures in retail stipulate limited scope under which temporary or fixed-term engagement can be used to cover the absence of an existing employee.

## ARA RECOMMENDATIONS

While we support, in principle, the provision of flexible leave arrangement to enable carer leave, we do make the following recommendations on how such arrangements should be implemented, in consideration of the costs involved for employers.

1. **Carer leave should be for a pre-determined and definite timeframe.** We suggest that it could be provided in 3-month increments, with a requirement for a 1-month notice period so that employers have certainty of an employees intended return date. We suggest that leave should be for a maximum of 12 months.
2. **Carer leave is unpaid.** The purpose of the leave is to maintain a connection to employment so the obligation of the employer must be limited to providing an equivalent role for the employee upon their return unless the role has been made redundant by structural changes to the employer's business in the meantime. This should be modelled on similar provisions for parental leave.
3. **Scope must clearly limit carer leave to informal, family care for older people in the home.** This leave is intended for employees who are caring for an older family member (we suggest parent, grandparent or sibling) or member of their household in an informal, unpaid arrangement. It should not include people who are paid to care for someone else. It should also not include care of children or people with disability, as we understand the underlying policy intention is to support the formal aged care system, providing an alternative arrangement for families that prefer to provide care for aged parents at home.
4. **Small businesses should be exempt.** Most small businesses would approach the need for unpaid carer leave on a case-by-case basis, noting also that many small business employees will also be employed on a casual basis. We also note the rising costs of doing business are increasingly putting pressure on small retailers who, in many cases, have not recovered from the economic impacts of the pandemic. We strongly believe having to provide carer leave, even unpaid, will be overly burdensome to small businesses who are also challenged by an ongoing labour shortage and rising wage costs.

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<sup>1</sup> [WGEA Data Explorer](#)

<sup>2</sup> [Gender Equality | Australian Retailers Association](#)

- 5. Award modernisation.** We suggest that any introduction of carer leave should be supported by a broader policy agenda that includes modernisation of the awards framework. For example, under the General Retail Industry Award (GRIA) the ability for an employee to work a 'split shift' is restricted, however we suggest that enabling such flexibility would actually mean employees could better balance caring responsibilities at home while still working sufficient hours to support themselves (and their families) financially. Similarly, the GRIA does not provide the flexibility to allow an employee to elect to work a non-standard roster pattern, such as 8 days on followed by 8 days off, as is available in most other sectors which inhibits the ability of retail workers to share caring responsibilities with family members who work in these other industries.

## CONCLUSION

In principle, the ARA supports flexible carer leave arrangements as this supports increased participation in the workforce by women, particularly in the retail sector where career pathways for women can be disrupted by caring responsibilities, noting our concerns and recommendations for a model for implementation as outlined above.

Thank you again for the opportunity to provide a submission to the Productivity Commission. We look forward to further engagement as discussions progress on this important initiative.

Any queries in relation to this submission can be directed to our policy team at [policy@retail.org.au](mailto:policy@retail.org.au).

Yours sincerely,

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Chief Executive Officer