



## Electrical and Communications Association

Representing the electrical and communications industry in Queensland

Tuesday 11 November 2008

Productivity Commission  
Locked Bag 2 Collins Street East  
Melbourne VIC 8003

Dear Commissioner,

**RE: Productivity Commission Draft Inquiry Report into Paid Parental Leave:  
Support for Parents**

The Electrical and Communications Association (ECA) would like to thank the Productivity Commission for the opportunity to make a written submission on inquiry into paid parental leave.

Please contact Angela Szczepanski, Workplace Relations Manager, on 07 3251 2444 or 0419 670 291 if you have any questions regarding the content of this submission.

Yours Faithfully

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1. ECA is the peak industry body for contractors who operate in the electrical, data, communications and ancillary sectors of the Building and Construction Industry in Queensland.
2. ECA is an industrial organisation of employers registered in Queensland Industrial Relations Commission and is a transitionally registered Association with the Australian Industrial Relations Commission
3. ECA membership is nearly 2,000 (with approximately 85% defined as constitutional corporations) and is as diverse as the industry it represents, ranging from many small “Mum and Dad” businesses that employ only one or two people, right up to large multinational companies who employ more than 1,500 electricians in Queensland alone.
4. ECA assists Members with industrial relations, health and safety, technical, training and any other issues that concern the operations of their business such as building contracts.
5. ECA has liaised with Government in the State and Federal jurisdictions on a number of industry issues and considers itself to be the leading Queensland electrical and communication industry association with regard to issues of industrial relations, health and safety, and occupational licensing.

#### *Existing Parental Leave Arrangements*

6. Currently, at federal level, the *Workplace Relations Act 1996* (Cth) provides 52 weeks unpaid maternity leave to permanent full-time and part-time employees with 12 months continuous service with their employers. Some federal awards have expanded this provision to include certain casual workers.
7. In addition to the expanding provisions of employees eligible to access unpaid parental leave some federal awards also make provision for paid maternity leave (a large majority of these Awards were public sector instruments). A Productivity Commission Issues Paper showed that 44% of working women and 35% of working men had access to paid parental leave in 2005.<sup>1</sup>

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<sup>1</sup> Steve O’Neil, *Work and Family Policies as Industrial and Employment Entitlements*, Information and Research Services Parliamentary Library Research Paper, No 2 2004-05, 9 August 2004.

8. Many businesses have also implemented initiatives in their business to assist staff in balancing their work and family lives. These initiatives include flexible leave and rostering arrangements, job sharing, part-time employment, 'working from home' arrangements, time in lieu for working overtime, and voluntarily offered paid maternity leave.

#### *Proposed Scheme*

9. ECA supports the proposed scheme by the Productivity Commission of a tax payer funded parental leave scheme that financially assists working families with a new born child or children. This will help employees, including subcontractors, balance their work and family life.
10. The employer is only liable to pay for those employees entitled to unpaid parental leave under the National Employment Standards and where the employer made at least monthly 'pay as you go' withholding payments to the ATO.

#### *Potential Cost to Business*

11. ECA supports parental leave scheme that will not increase the costs to business and regulatory burden. The proposed scheme recommends the employer acts as 'paymasters' which means the employer will pay the initial entitlement to the employee.
12. Despite the intentions of the Productivity Commission to introduce a paid parental leave scheme to increase support to working families, the scheme is likely to place an unnecessary burden on employer's real and administrative costs.
13. It is proposed that the employer pay superannuation contributions to the employee who is accessing the Government funded scheme. The employer will also be required to pay other employment associated costs, including payroll tax and workers compensation premiums on this amount. This proposed scheme may cripple businesses, in particular small business, as the initial cost of the scheme is borne on the employer.
14. Although the employer receives a reimbursement from the Government it will be via credits under the 'pay as you go' withholding arrangements. In addition, the cost associated with the company's administration of this scheme has the potential to affect a business's cash flow.

## *Conclusion*

15. ECA supports a paid parental leave scheme that will be a true fully tax payer funded Government scheme.
16. ECA supports the Productivity Commission's initiative to assist working families in balancing their work and family commitments.
17. ECA does not support a scheme that will increase the administrative and associated costs and regulatory burden on businesses, particularly small business.