

14 November 2008



Inquiry into Paid Maternity, Paternity
And Parental Leave
Productivity Commission
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Dear Sir/Madam

Inquiry into Paid Maternity, Paternity and Parental Leave

The Chamber of Minerals and Energy of Western Australia (CMEWA) appreciate the opportunity to review and provide comments in response to the *Inquiry into Paid Maternity, Paternity and Parental Leave*.

The Chamber of Minerals and Energy of WA (CME) is the peak resources sector representative body in Western Australia with its members covering approximately 85% of all mineral and energy employees in Western Australia.

The Western Australian resource sector is robust and continues to perform strongly. It is estimated over \$86 billion¹ worth of projects are either planned or already underway. In a report completed in 2008², it was identified that an additional 86,000 site-based workers will be required across Australia by 2020 to meet project requirements, an increase of 68% from 2008.

To ensure sustainability of the resources sector and a diversity of talent in the workforce, the resource sector has identified as a priority the need to encourage and promote increasing women's participation in the sector.

Currently women are an underrepresented group in the resource sector accounting for only 18% of the resource sector workforce, compared to the national labour force figure of 45%³.

To ensure increasing the participation rate of women in the sector and nationally, the CME acknowledges that there is no one answer to ensure this situation. The CME acknowledges that to effectively influence the increase in participation rate of women into the workforce, introducing a number of family-friendly policies will be required. These include availability of flexible work practices to support these practices, quality part-time work arrangements, access to quality and affordable child-care, access to child-care facilities for women who work outside of "regular" work hours, for example those women who work weekends and evening shifts.

¹ 2006/2007 Department of Industry and Resource statistics.

² Minerals Council of Australia, *The Labour Force Outlook in Australian Minerals Sector: 2008 to 2020*, June 2008.

³ Minerals Council of Australia, *Unearthing New Resources - Attracting and Retaining Women in the Australian Mining Industry*, May 2007.

⁴ Chamber of Commerce and Industry, *Women in the Workforce: A Discussion Paper*, October 2008.

PAID PARENTAL LEAVE SCHEME

Some of the CME member's currently offer paid parental leave entitlements to ensure retention of their employees. The entitlement offered and eligibility requirement varies between different employers.

The CME supports a government paid parental leave scheme, for a period of 14 weeks and the amount paid to the primary caregiver should be meaningful.

While CME consider a paid parental scheme is a positive initiative to encourage female participation rates in the workforce, we do not support some aspects of the proposed *Paid Parental Leave: Support for Parents with Newborn Children. Productivity Commission Draft Inquiry Report*. Specifically these matters are:

- Whether employees on paid parental leave should accrue sick leave, recreation leave and long service leave. Currently these leave entitlements are suspended while an individual is on parental leave and should continue not to accrue while on parental leave. The proposed accrual of long service leave is above the minimum entitlement under Western Australia legislation.
- The CME does not support the proposal that employers should fund superannuation contributions during the paid parental or paternity leave. This would be an additional financial and administrative burden to businesses.
- Current eligibility requirements are: an employee needs to be employed in the company for 12 months as a part-time or full-time employee. One issue with having casual employees entitled paid parental leave and the employer was the "paymaster", it would significantly increase the cash-flow out of businesses, especially for small to medium size businesses.
- The CME members see the merit of the paid parental leave entitlement being transferred to the primary caregiver. However they do not support the proposed arrangement because it is a too onerous arrangement.
- In the resource sector there are a number of companies who employ couples. If the current proposed scheme is implemented there will be significant added costs to employers, they would need to find coverage for two employees instead of one and in the current labour market there are still strains in the resource sector to find skilled professional workers with transferrable skills which are critical to business operations.
- The CME supports the usefulness and value of the "Keeping in Touch" initiative for the workplace. However it should be a company initiative rather than a provision or prescriptive measure for employers to implement.

Paid Parental Leave Scheme Recommendations:

The CME advocates that the only workable model of paid parental leave is one which is:

1. Government administered. For example through the social security system.
2. Government funded. The Federal Government should have an allocation scheme - either from a general social security fund or establish a National government funded scheme.

INCREASING PARTICIPATION RATE OF WORKING MOTHERS AND CHILD CARE POLICY

Whilst a paid parental leave initiative is one option to support women to stay in the workforce and to return to the workforce after childbirth, other initiatives and broader issues also need to be addressed and in place to encourage women to return to the workforce. The Chamber of Commerce and Industry's recent report identified that access to affordable, high quality child-care is a key issue for women considering returning to the workforce⁴.

The majority of the work of the resource sector is situated in remote locations with limited services and many of the women do not reside near their family and friend support networks. Therefore the issue of affordable, high quality child-care is a significant issue for women in regional or remote locations. Also there is another challenge for women in these locations who work outside of “regular” work hours, for example those women who work weekends and evening shifts to access appropriate child-care facilities for their children.

Employer-sponsored child care is exempt from fringe benefit tax (FBT), where provided on business premises. However this option has not been widely used because the criterion is restricted to the business premises, there are significant costs and liabilities to establishing a child-care facility, especially for small to medium size companies.

Many employers in the resource sector have initiatives in place to attract and retain their working mothers and many of these businesses support child care options. However many of these businesses - especially small to medium - cannot afford to offer these initiatives to their employees because there is a hefty fringe benefit tax associated with employer sponsored childcare.

Child Care Policy Recommendations

The CME advocates that:

1. Government could provide childcare services which offer extended operating hours to accommodate weekend and shift workers’ needs.
2. Implement fringe benefit tax exemption to all types of employer sponsored childcare.

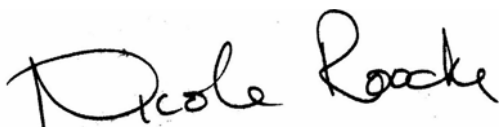
CONCLUSION

The CME supports the implementation of family friendly policies to increasing women’s participation in the resource sector. However the CME does not support any aspect of the Paid Maternity, Paternity and Parental Leave which is a disincentive, prescriptive or onerous to our members.

Additionally, to address the broader issue of female participation rate other areas such as child-care policies and tax reforms need to be addressed. These policies are especially important for women who have children under the age of 12 years old.

If further information is needed on the issues raised in this submission please contact Amanda Gradisen, Executive Officer Workforce Participation (08) 9220 8538 or at a.gradisen@cmewa.com.

Yours sincerely

A handwritten signature in black ink that reads "Nicole Roocke". The signature is written in a cursive, flowing style.

Nicole Roocke
Director