

## Introduction

### **Social change in Australia**

- 1.1 Australian society, like most developed societies, has experienced tremendous change since the 1960s in social, economic and reproductive life. The widespread availability and use of contraceptives have given women unprecedented control over their reproductive decisions.
- 1.2 There is no doubt that the roles of men and women in public and private spheres have become much more flexible. In families and in workplaces, the traditional division of labour is changing significantly.
- 1.3 These changes have historical roots. Before the industrial revolution, production was based on cottage industries and the family was the primary unit of production. With the concentration of capital required for larger-scale production, workplaces became separated from where people lived. Typically, men went to work and women stayed home. Men had less exposure and involvement in raising children and 'women lost economic power'.<sup>1</sup>
- 1.4 However, the economic arguments in favour of this division of labour have been eroding. In Australia, 75 per cent of all jobs are in the services sector, including education, health, retail trade and tourism. It is difficult to argue that men have innate advantages in this kind of work. Further, many home tasks that required a lot of time and effort

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1 Edgar G, *The war over work* (2005), Melbourne University Press, pp 33-34.

in the past have been made easier through affordable appliances and the food processing and household service industries.<sup>2</sup>

## Distribution of human capital

- 1.5 Amongst the most significant economic and social features of the last thirty years has been the increased participation of women in higher education and in the workforce. As figure 1.1 shows, these decades have seen an expansion of tertiary education in Australia overall. The dramatic upwards curve in student numbers reflects the development of a higher education system through the removal of fees in 1974; the amalgamation of colleges of advanced education with universities; and the introduction of the Higher Education Contribution Scheme (HECS) in 1989.<sup>3</sup>
- 1.6 Like their counterparts across the industrialised world, Australian women have embraced the expansion of tertiary education and the opportunities opening up in the workplace. In 1951, only 20 per cent of university enrolments were women. In 1987, for the first time, female students outnumbered males, and by 2004, this majority had risen to 54 per cent.<sup>4</sup>

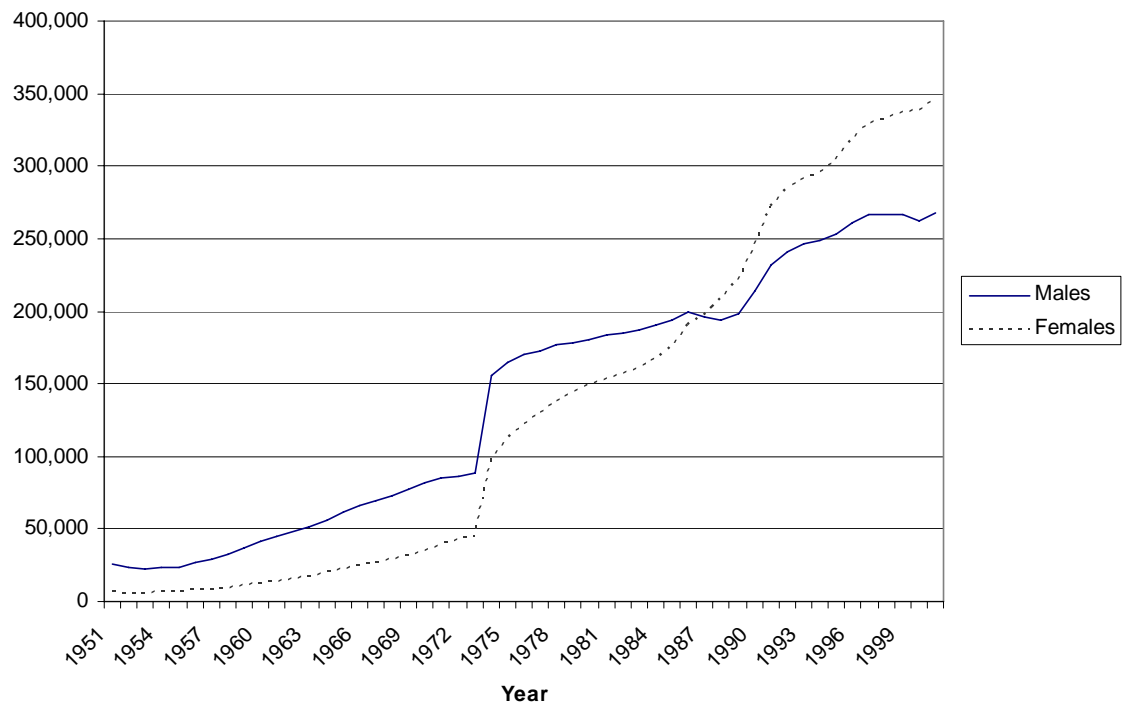
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2 See, for example, Cavalcanti T and Tavares J, 'Assessing the "Engines of Liberation": Home appliances and female labour force participation' (2005), discussion paper, Centre for Economic Policy Research, London, viewed on 22 August 2006 at <http://www.cepr.org/pubs/new-dps/dplist.asp?dpno=5665>.

3 Australian Bureau of Statistics, *Education and training indicators* (2002), Cat No 4230.0, p 56.

4 Australian Bureau of Statistics, *Education and training indicators* (2002), Cat No 4230.0, p 56, and Department of Education, Science and Training, *Higher Education Report 2004-05* (2005), p 32.

Figure 1.1 Higher education students by sex 1951-2001



Source: Department of Education, Science and Training (DEST), *Higher Education Students Time Series Tables, 2000: Selected Higher Education Statistics*; DEST, *Students 2001: Selected Higher Education Statistics*, cited in Australian Bureau of Statistics, *Education and Training Indicators (2002)*, Cat No 4230.0, p 56.

1.7 Buoyed by an economy with increasing demand for services and information, Australian women began to enter professions which had previously been the domain of men. The 'caring' professions which used to attract the brightest and most ambitious female talent – teaching and nursing – were no longer an automatic choice. Today, average incomes and labour market status in teaching and nursing often fail to compete with other professions for female school-leavers and graduates.<sup>5</sup> Nevertheless, outstanding graduates still elect to pursue their career in these areas because they are still regarded as a vocation or calling.

1.8 In 2004, 60 per cent of law students and more than 70 per cent of medicine students at Monash University were women.<sup>6</sup> The *Higher Education Report 2004 -05* stated that women were now well represented in all faculties, including those formerly considered 'non-traditional' for women, such as architecture, business, economics,

5 Wolf A, 'Working girls', *Prospect Magazine* (2006), no 121, pp 4-6, also viewed on 12 August 2006 at <http://www.onlineopinion.com.au/view.asp?article=4489>.

6 Roberts J and Colman E, 'Workplaces wasting our women: Bishop', *The Australian*, 5 May 2006, p 3.

science and agriculture. Their participation remained low for only engineering, at 14.9 per cent, and information technology, at 21.8 per cent.<sup>7</sup>

- 1.9 The National Centre for Social and Economic Modelling (NATSEM), overviewing the last 20 years of labour force development, describes education as ‘the silver bullet for Australian workers, directly translating into job opportunities’.<sup>8</sup> The Centre estimates that 7 out of 10 new jobs are now being filled by tertiary-qualified applicants. Women’s participation in higher education means that they are in a strong position to take advantage of this growth in tertiary-qualified positions. Forty-three per cent of all new jobs created between 1990 and 2003 went to female graduates, up from five per cent in 1990.<sup>9</sup>
- 1.10 This will have profound implications for Australia’s future economic performance. Traditionally, a country’s economic output and growth has been explained through its labour force and its physical capital. In 1992, Mankiw, Romer and Weil demonstrated that human capital (that is, education) makes an excellent third determinant of a country’s economic performance.<sup>10</sup> Recently, Matsushita, Siddique and Giles of the University of Western Australia found that between 1969 and 2003, education had contributed 31 per cent of the per capita growth in real GDP in Australia.<sup>11</sup> As Access Economics have reported:

There is strong evidence that increasing education is a key driver of participation gains in the long term. Higher education increases the wage an individual can command, giving them a stronger incentive to work, and reduces their likelihood of any spells of unemployment.<sup>12</sup>

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7 Department of Education, Science and Training, *Higher education report 2004-05* (2005), p 32.

8 NATSEM/ AMP Wealth Report, *May the labour force be with you* (2005) issue 12, p 1.

9 NATSEM/ AMP Wealth Report, *May the labour force be with you* (2005) issue 12, p 1. The figures for female graduates in new jobs include both part time and full time jobs, although degree-qualified women are far more likely to be working longer average hours than women with trade qualifications or no qualifications (p 18).

10 Mankiw N, Romer D and Weil D, ‘A contribution to the empirics of economic growth’ *Quarterly Journal of Economics* (1992) vol 107, pp 407-37.

11 Matsushita S, Siddique A and Giles M, Business School of the University of Western Australia, ‘Education and economic growth: A case study of Australia’, p 1, viewed on 20 September 2006 at [http://www.econ.uwa.edu.au/\\_data/page/92194/06\\_15\\_Matshushita,\\_Siddique,\\_Giles.pdf](http://www.econ.uwa.edu.au/_data/page/92194/06_15_Matshushita,_Siddique,_Giles.pdf).

12 Access Economics, Appendix D, p 8.

- 1.11 Nearly one in four working women now holds a university degree, up from one in 10 in 1990.<sup>13</sup> Women graduates are steadily making up a greater proportion of Australia's total graduates. In the 1996 census, women comprised 39.8 per cent of total graduates from certificate level upwards. In the 2001 census, this number had increased to 42.2 per cent.<sup>14</sup> If these trends continue, Australian women may comprise more than 50 per cent of total graduates within the next two decades.
- 1.12 If women will hold most of Australia's human capital in the next 20 years, then Australia needs to carefully consider how women will participate in the workforce and, in particular, how they will manage their work and family responsibilities. Access argues that:
- ...it would be a key failing on Australia's part were we to leave these locked-up participation and productivity gains untapped.<sup>15</sup>

## Trends in labour force participation

- 1.13 Australian economic growth in recent decades has been driven by both a general increase in the labour force participation rate and a particular increase in the labour force participation rate of women. The overall participation rate has increased slowly, rising from 60.5 per cent in 1984-85 to 64.5 per cent in 2005-06.

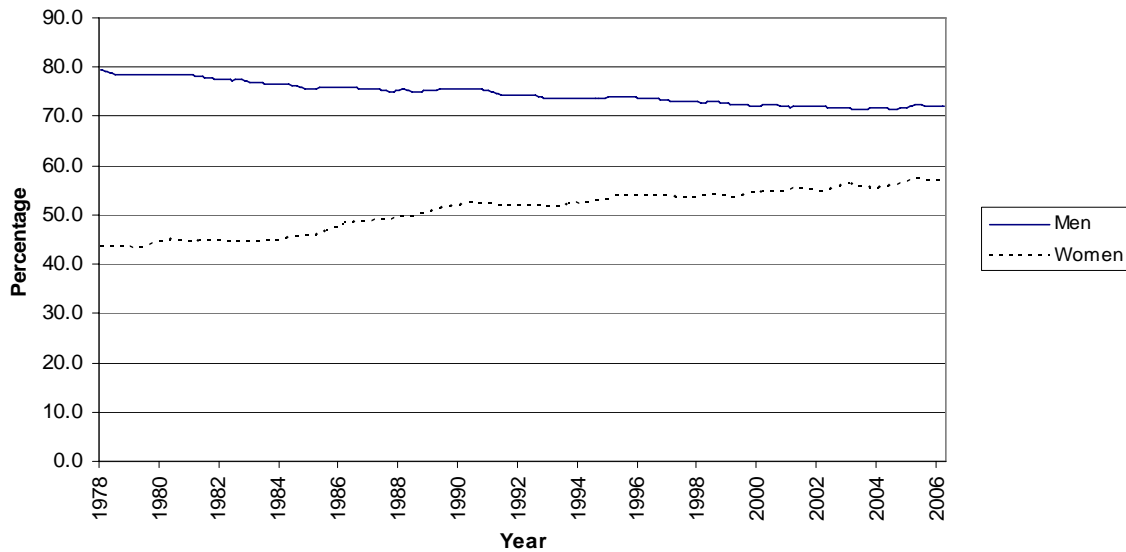
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13 NATSEM/AMP Wealth Report, *May the labour force be with you* (2005), issue 12, p 1. The figures for female graduates in new jobs include both part time and full time jobs, although the report notes that degree-qualified women are far more likely to be working longer average hours than women with trade qualifications or no qualifications (p 18).

14 Australian Bureau of Statistics, 'Census Community Profile Series: Australia', Time Series Profile (2001), viewed on 15 August 2006 at <http://www.abs.gov.au/AUSSTATS/abs@cpp.nsf/DetailsPage/02001?OpenDocument&tabname=Details&prodno=0&issue=2001&num=&view=&>. Figures represent proportions of all persons aged over 15 years with a non-school qualification.

15 Access Economics, Appendix D, p iii.

Figure 1.2 Labour force participation in Australia



Source: Australian Bureau of Statistics, 'Labour Force, Australia, Spreadsheets, May 2006, Cat No 6202.0.55.001 viewed on 26 June 2006 at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0.55.001May%202006?OpenDocument>

- 1.14 Figure 1.2 shows that women's contribution to the workforce has risen steadily. The female participation rate increased from 45.7 per cent in 1984-85 to 57.2 per cent in 2005-06.
- 1.15 As figure 1.2 also shows, men's participation rate in the paid workforce has fallen somewhat since the 1970s, from 81.4 per cent in 1978 to 72.1 per cent in 2005-06. Again, this is common amongst OECD countries.<sup>16</sup> The reasons for decreased male labour force participation may include increased time spent in tertiary education and the impact of economic reform on traditionally male blue-collar industries. It may also reflect a small minority of men who have withdrawn from the workforce to care for their children.
- 1.16 Participation rate figures include both full and part time work. A phenomenal growth in part time work since the 1970s is reflected in women's working patterns. Between 1979 and 2004, women's full time labour force participation grew 2.6 percentage points, from 26.2 per cent to 28.8 per cent. Women's part time participation grew 10 percentage points, from 13.8 per cent to 23.8 per cent.<sup>17</sup> Part time

16 Campbell I and Charlesworth S, Centre for Applied Social Research, RMIT University, *Background report: Key work and family trends in Australia* (2004), p 4.

17 Australian Bureau of Statistics, *Australian social trends* (2006), Cat No 4102.0, p 122. These figures represent participation as a proportion of all women aged 15 years and over.

employed people now account for 28 per cent of all employed people, and women dominate the part time workforce, accounting for 71 per cent of part time workers.<sup>18</sup>

- 1.17 A woman's choice to participate is therefore a major driver of economic output. Access Economics writes that:

The increased participation of Australian women in the paid workforce has – like the recent round of WorkChoices policy changes – contributed to the increased flexibility of Australia's labour market. In turn, that increased flexibility has helped make Australia more prosperous, as well as less liable to fall into recession.<sup>19</sup>

- 1.18 The *Economist* goes so far as to suggest that:

Arguably, women are now the most powerful engine of global growth.... Over the past decade or so, the increased employment of women in developed countries has contributed much more to global growth than China has.<sup>20</sup>

- 1.19 Despite the convergence of male and female participation rates in the paid workforce, having children continues to have different impacts on men and women's respective participation. A man with children is much more likely to be employed than a man without children. In 2003, 91 per cent of Australian fathers with children aged less than 15 years were employed, with 85 per cent employed full time.<sup>21</sup>

- 1.20 For women, however, motherhood decreases the likelihood of being in the paid workforce. While participation rates of Australian women with dependent children have increased significantly, they are not as high as others in the OECD. In 2003, the participation rate for women in Australia with two or more children was 56.2 per cent, compared to 61.8 per cent in the United Kingdom, 64.7 per cent in the United States, 68.2 per cent in Canada and 77.2 per cent in Denmark.<sup>22</sup>

- 1.21 'Motherhood appears to have a bigger impact in impeding employment in Australia than it does in other comparable countries,'

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18 Australian Bureau of Statistics, *Year book Australia* (2006), Cat No 1301.0, p 153.

19 Access Economics, Appendix D, pp iii, iv.

20 'A guide to womenomics: Women and the new world economy', *The Economist*, 15 April 2006, p 69.

21 Australian Bureau of Statistics, *Australian social trends* (2006), Cat No 4102.0, p 39.

22 OECD, *Employment outlook* (2002, 2004), amalgam of data from the Paris and European Labour Force Surveys, cited in Whitehead P, exhibit 71, p 1.

writes Iain Campbell and Sara Charlesworth, in a survey of OECD participation data.<sup>23</sup> In particular:

The absolute drop in employment rates associated with the presence of two or more dependent children in Australia is dramatic.... These data suggest that there is something distinctive about the labour market transitions in relation to Australia.<sup>24</sup>

- 1.22 Figure 1.3 illustrates the impact of childbearing on female labour force participation for successive cohorts of Australian women by birth date. The first cohort of women, born in 1886-1900, tended to peak in participation before the age of 20, and the majority of them never returned to paid work following marriage and childbearing.

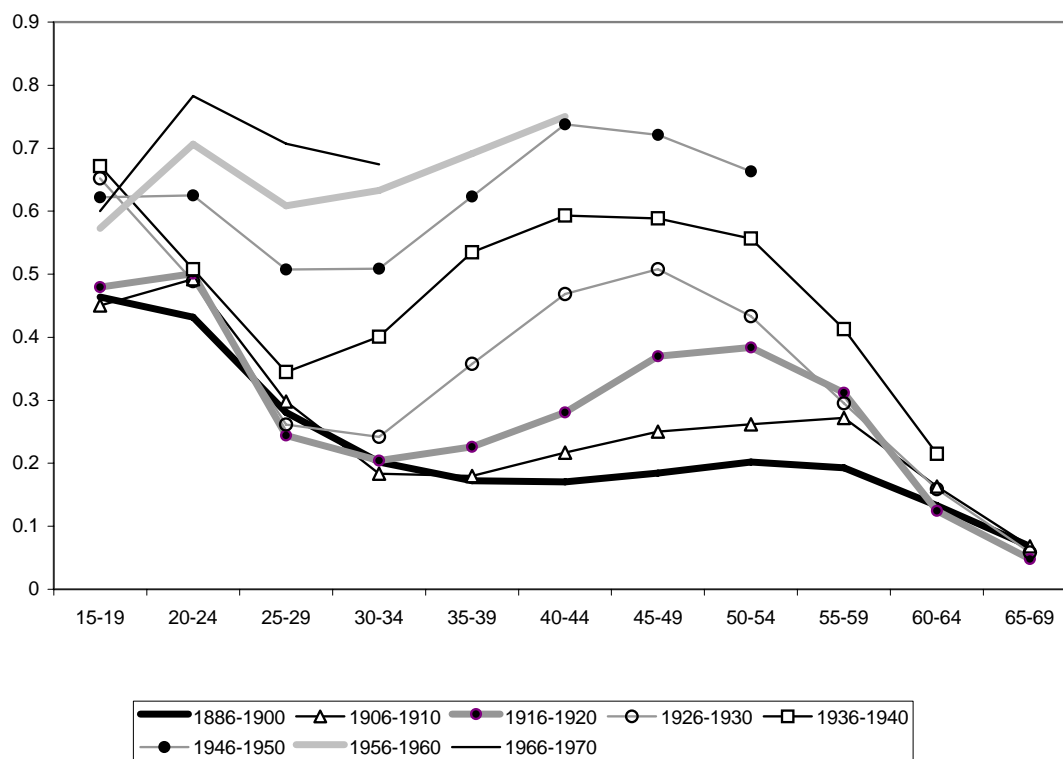
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23 Campbell I and Charlesworth S, Centre for Applied Social Research, RMIT University, *Background report: Key work and family trends in Australia* (2004), p 12.

24 Campbell I and Charlesworth S, Centre for Applied Social Research, RMIT University, *Background report: Key work and family trends in Australia* (2004), p 12.



Figure 1.3 Lifetime labour participation rates for females: Australia, females born in decade waves from 1886-1900 to 1966-1970



Source: Productivity Commission, *Economic Implications of an Ageing Australia, Technical Paper 3, Cohort Analysis*, (2005) p T3.4 viewed on 26 June 2006 at <http://www.pc.gov.au/study/ageing/finalreport/technicalpapers/technicalpaper03.rtf>.

1.23 As the twentieth century progressed, this developed into a pattern of two peaks separated by a trough between the ages of 20 and 40, as women increasingly returned to work. Each successive cohort of women has had a higher employment rate overall, as less women are withdrawing from the workforce to have children, and when they do, it is for a shorter period. As the Productivity Commission notes, 'For the core years of work from 25 to 59 years, female patterns of workforce involvement increasingly resemble that of males.'<sup>25</sup>

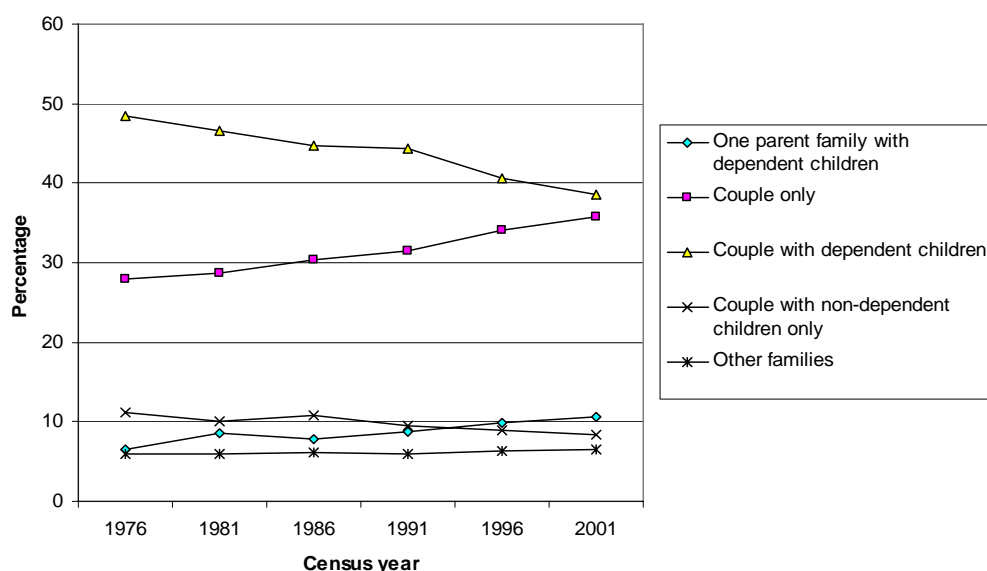
## Changes to families and households

1.24 Families and relationships have also changed, partly as a result of labour force participation patterns and partly as a result of social factors including the *Family Law Act 1975*. Couple families with children are still the most common family type in Australia. But as

<sup>25</sup> Productivity Commission, *Economics implications of an ageing Australia* (2005), p 77.

figure 1.4 illustrates, the last thirty years have seen a growth in couple only families and single parent families, at the expense of couple families with dependent children.

Figure 1.4 Family types in Australia



Source: Australian Bureau of Statistics, *2001 Year Book Australia*, Cat No 1301.0, p 194. 2001 data derived from Australian Bureau of Statistics, '2001 Census Data : Australia,' Basic Community Profile, viewed on 27 June 2006 at <http://www.abs.gov.au/AUSSTATS/abs@cpp.nsf/DetailsPage/02001?OpenDocument&tabname=Details&prodno=0&issue=2001&num=&view=&>.

1.25 Similarly, although most births are still to married couples, there has been a dramatic increase in ex-nuptial births, which more than doubled between 1983 and 2003 to 32 per cent.<sup>26</sup> This reflects the increasing incidence of single parenthood and an increase in de facto partnerships as an alternative living arrangement prior to or instead of marriage.<sup>27</sup> In 2003, 75 per cent of couples cohabited prior to marriage, up from only 16 per cent of couples in 1975.<sup>28</sup> The percentage of ex-nuptial births which are not acknowledged by fathers on the birth certificate is decreasing.<sup>29</sup>

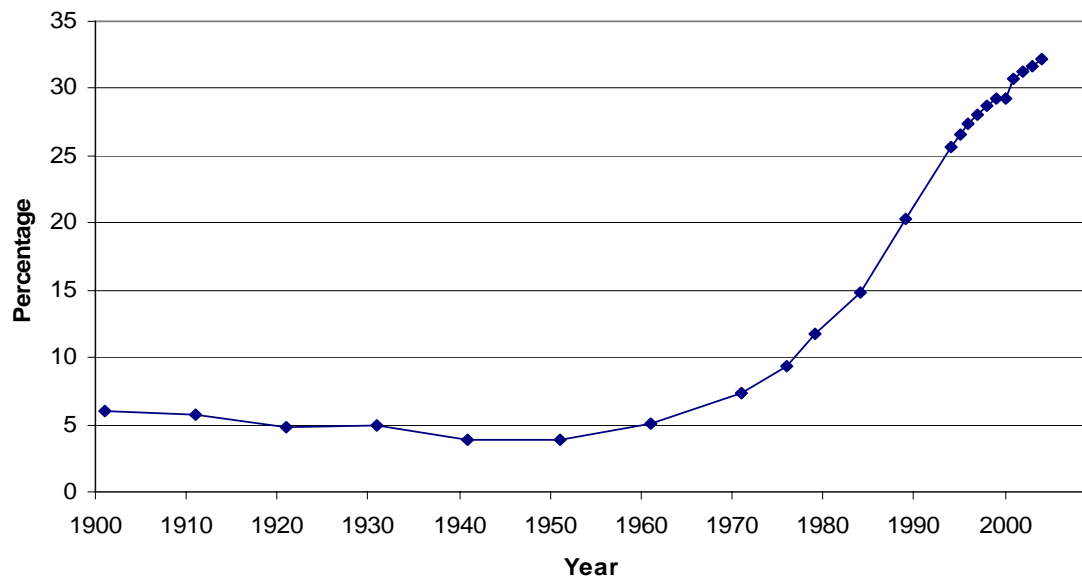
26 Australian Bureau of Statistics, *Australian social trends* (2006), Cat No 4102.0, p 40.

27 Australian Bureau of Statistics, *Year book Australia* (2006), Cat No 1301.0, pp 135-36.

28 Australian Bureau of Statistics, *Year book Australia* (2006), Cat No 1301.0, p 136.

29 Australian Bureau of Statistics, *Australian social trends* (2006), Cat No 4102.0, p 40.

Figure 1.5 Ex-nuptial births as a percentage of all births, 1901-2004



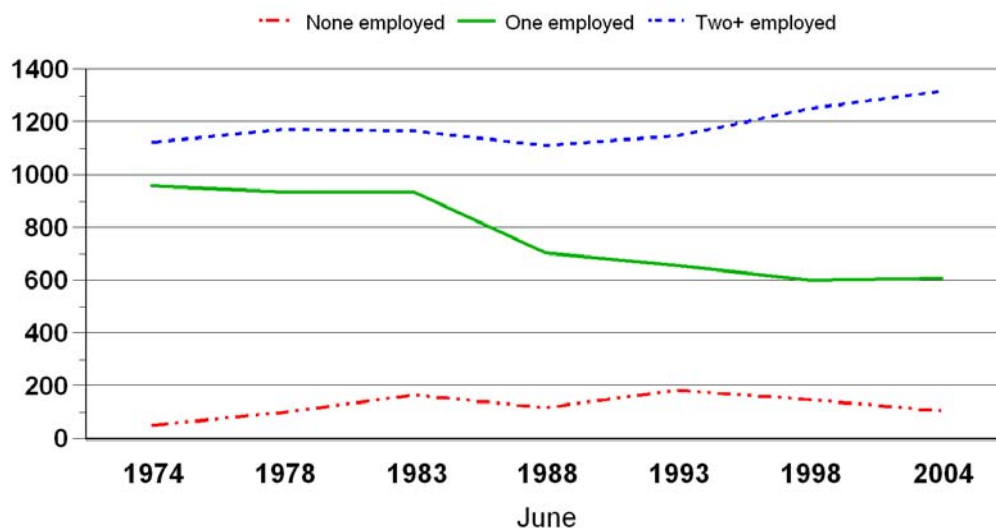
Source: Australian Institute of Family Studies, using Commonwealth Bureau of Census and Statistics (1968), *Demography 1966, Bulletin No. 84, Canberra, ABS (various years), Births, Cat No 3301.0, Australian Bureau of Statistics, Canberra*. These figures are inclusive of births to de facto couples.

- 1.26 Divorce and separation rates have had an enormous impact on family structures in the last thirty years, and in many families the processes of 'un-partnering' and re-partnering produce complex financial and caring obligations. The introduction of the *Family Law Act 1975*, which provided for the first time for a 'no fault' divorce, led to a sharp increase in divorce applications. It is worth noting, however, that the divorce rate has not fluctuated significantly since the early 1980s, and the average length of marriages to separation and divorce is now increasing.<sup>30</sup>
- 1.27 The structure of families' working lives has also shifted. As figure 1.6 shows, the number of dual income families with dependents has increased since the 1970s. The number of single income (breadwinner) families has decreased by a larger percentage. In couple families today, the most common distribution of work between couple families is for one parent to work full time while the other works part time.<sup>31</sup> Persistent gender pay inequality means that it is often the mother who takes the part time position. This is changing slowly as some women increase their earning power relative to their partners and indeed as some become the major income earner.

30 Australian Bureau of Statistics, *Year book Australia* (2006) Cat No 1301.0, p 138.

31 Catholic Welfare Association, sub 65, p 21.

Figure 1.6 Couple families with dependants, numbers employed



Source: Australian Bureau of Statistics, sub 200, p 27.

1.28 The patterns of increasing labour force participation depicted in figure 1.6 mean that the paid economy is playing a greater role in the arrangements families make to earn income and provide for dependents. For example, the use of child care outside of family members and friends continues to increase, with 35 per cent of Australian children aged nought to four receiving formal child care, including 53.4 per cent of three-year-olds.<sup>32</sup>

1.29 As household disposable income has increased, and as women spend less time at home, more and more of the domestic labour traditionally carried out by wives and mothers is being outsourced to the market. Deidre Macken writes that, 'The biggest growth industries in the past two decades have been in servicing households'.<sup>33</sup> Philip Ruthven, in *The Australian*, has described this as 'the first wave of outsourcing' in the Australian economy. It claims that over the past 40 years, about \$110 billion worth of household work has been outsourced, representing 11 per cent of the economy and creating 1.2 million jobs.<sup>34</sup>

1.30 The Australian Bureau of Statistics' *Household Expenditure Survey* (2003-04) found that spending on household services and operation

32 Australian Bureau of Statistics, *Child care, Australia* (2005), Cat No 4402.0, pp 3, 14.

33 Macken D, *Oh no, we forgot to have children! How declining birth rates are reshaping our society* (2005), Allen and Unwin, pp 80-81.

34 Ruthven P, 'You're the boss', *The Australian*, '2026 - A vision for the nation's future: Work, business and the economy' feature, 26 October 2006, p 8.

had increased at approximately double the rate of CPI growth since 1998-99. The biggest spending proportionally was by couples with dependent children under the age of five.<sup>35</sup> Philip Ruthven, in *The Australian*, predicts that over the next twenty years, this sector will continue to grow. Another \$400 billion worth of household services (including child care) will be outsourced to companies, creating another one million jobs.<sup>36</sup>

- 1.31 Despite the growth in commercial household services, the Australian economy is still supported by a large volume of unpaid work, including informal child care, elder and disability care, household work, food preparation, household financial management and maintenance, and volunteering in the community. Using market replacement valuation methods, this unpaid work is estimated to be equal to approximately half of total GDP.<sup>37</sup>
- 1.32 According to the Australian Bureau of Statistics, approximately 65 per cent of this unpaid work (including production by households for their own consumption and volunteer work in the community) is performed by women. This may be offset by men's tendency to spend longer hours in paid work, many of which are working regular unpaid overtime.<sup>38</sup>

## Trends in fertility rates

- 1.33 Figure 1.7 shows that Australia's fertility rate has experienced many fluctuations since Federation. The significant drop in fertility during the Great Depression, for example, reflected deliberate birth control within marriage and postponement of marriage due to reduced incomes.
- 1.34 After peaks in the early twentieth century and in 1961 (when the fertility rate reached 3.5 babies per woman), the fertility rate has been declining steadily, and is now at a historical low. Demographers estimate that a population's replacement rate (the fertility rate needed

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35 Australian Bureau of Statistics, *Household expenditure survey 2003-04* (2005), Cat No 6530.0, datacube tables 1-26, viewed on 21 July 2006 at [http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6530.02003-04%20\(Reissue\)?OpenDocument](http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6530.02003-04%20(Reissue)?OpenDocument).

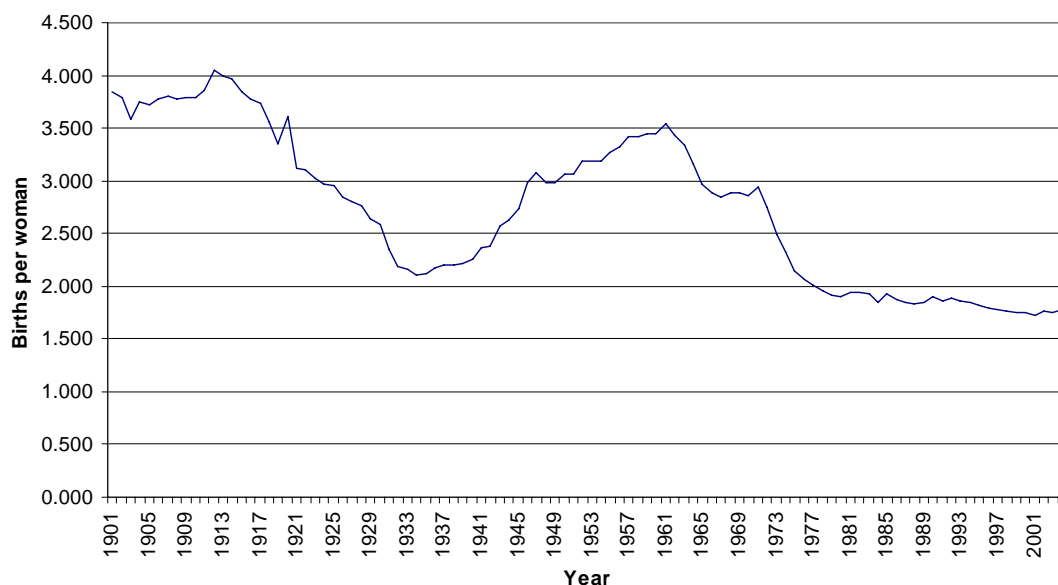
36 Ruthven P, 'You're the boss', *The Australian*, '2026 - A vision for the nation's future: Work, business and the economy' feature, 26 October 2006, p 8.

37 Australian Bureau of Statistics, *Australian economic indicators 2001* (2001), Cat No 1350.0, pp 9-15.

38 Australian Bureau of Statistics, *Australian social trends* (2006), Cat No 4102.0, p 42.

to replace a woman and her partner, allowing for some level of infant mortality) is 2.1 babies per woman. This rate was last recorded in Australia in 1976.<sup>39</sup>

Figure 1.7 Total fertility rate, Australia



Source: Australian Bureau of Statistics, *Births, 2004, Cat No 3301.0*; and Hugo G, 'A century of population change in Australia,' *Year Book Australia (2001), Australian Bureau of Statistics, Cat No 1301.0, p 175*.

- 1.35 In 2000, the Australian Bureau of Statistics estimated that unless fertility rates changed, almost one in four women of childbearing age would remain childless for life.<sup>40</sup>
- 1.36 Australia's experience of low fertility is typical of OECD countries, and is not an extreme case. In an analysis of international fertility rates from 1960-1998, Francis Castles found that Australia had been in the top half of OECD fertility levels throughout that period.<sup>41</sup>
- 1.37 Encouragingly, there are preliminary signs of a stabilisation in Australia's fertility rate and even of an upwards swing. In 2005 there were 259,800 births registered in Australia, and the total fertility rate (the average number of babies that a woman could expect to bear if current fertility rates continued) was 1.81 babies per woman. This was

39 Australian Bureau of Statistics, *Year Book Australia (2006), Cat No 1301.0, p 127*.

40 Australian Bureau of Statistics, *Year Book Australia (2006), Cat No 1301.0, p 129*.

41 Castles F, 'Three facts about fertility: Cross-national lessons for the current debate,' *Family Matters, Australian Institute of Family Studies, no 63, spring/summer 2002, p 23*.

an increase of 2.2 per cent on the number of births registered in 2004, and the highest since 1993.<sup>42</sup>

1.38 As a result, discussion of a 'fertility crisis' is receding somewhat, subject to future developments. Rebecca Kippen of Australian National University recently re-examined the Australian Bureau of Statistics' late 1990s prediction that one in four women of childbearing age would remain childless. In the light of current fertility growth amongst women in their thirties, she found that only 16 per cent of women born in the 1970s were now never likely to have children.<sup>43</sup>

1.39 Professor Peter McDonald of the Australian National University told the committee:

My view is that the fertility rate in Australia will probably stay up at that level of 1.8 births per women, which is relatively high on an international standard... But the forces of change that have brought down fertility are strong, so I don't think we can sit back comfortably... I think we need to monitor all the time what policies are required to keep the Australian fertility rate at that kind of level.<sup>44</sup>

## Fertility decision-making

1.40 The decline in fertility is not necessarily because men and women have lost interest in having children. The Fertility Decision Making Project conducted by the Australian Institute of Family Studies found that, 'For most people, being childless or having fewer children than they ideally would like is not from a lack of wanting children'. For those aged 20-39 the ideal family size for men was 2.4 children, and for women, 2.5 children. A family of four children was more popular than having one child or no children.<sup>45</sup>

1.41 Two major features of the decline in fertility since the 1960s are that people are deliberately having fewer children, and they are beginning their families much later than only a generation ago.<sup>46</sup> The tendency to

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42 Australian Bureau of Statistics, *Births, Australia, 2005* (2006), Cat No 3301.0, p 1.

43 Kippen R, 'The rise of the older mother', *People and place* (2006), vol 14, no 3, p 7.

44 McDonald P, transcript, 15 February 2006, p 5.

45 Weston R, Qu L, Parker R and Alexander M, Australian Institute of Family Studies, *'It's not for lack of wanting kids': A report on the Fertility Decision Making Project* (2004), pp xvi, 49.

46 Australian Bureau of Statistics, *Year book Australia* (2006), Cat No 1301.0, pp 127-28.

have fewer children and delayed childbearing are related, of course, because people are running out of time in their reproductive years. This is particularly so for women, who typically experience a dramatic drop in fertility by the age of 38. Recent research is also suggesting that ageing affects male fertility and birth outcomes to a greater extent than previously thought.<sup>47</sup>

- 1.42 While people are now living longer than ever before, and while most stages of the life course are lengthening, the window of fertility is relatively unchanged. Advances in reproductive technology have given families to people who might otherwise have a low probability of conceiving, for reasons of age-related or other types of infertility. Between 2.5 and three per cent of babies born in Australia are now born from in-vitro fertilisation (IVF). However, as Sydney IVF told the committee, due to the declining genetic and metabolic function of a woman's ova as she ages, IVF can have only limited success rates in rescuing women from age-related infertility.<sup>48</sup>
- 1.43 Meanwhile, the median age of both mothers and fathers continues to increase. In 2005, these were 30.7 years for mothers and 32.9 years for fathers.<sup>49</sup> The slight fertility increase noted in the last two years is due to increased fertility in older age groups. Since 2000, women aged between 30 and 34 have experienced the highest fertility of all age groups.
- 1.44 These figures reflect, perhaps, social and structural changes in Australia that mean that many people are not in a position to start a family as early as they used to be. The major life course transitions that have traditionally led to family formation – leaving the family home, education, marriage and home ownership – are being progressively delayed with each age cohort.<sup>50</sup> A younger generation has emerged that values flexibility and mobility, and is likely to spend extended years travelling, studying, building a career and being in a

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47 Sydney IVF, sub 83, p 2; see also ABC Online, 'Male fertility drops with age, study shows', viewed 13 October 2006 at [www.abc.net.au/news/](http://www.abc.net.au/news/); Beckett A, 'Time, gentlemen', *The Age*, 8 May 2006, p 13; and Elliot T, 'Trouble with the old fella', *Sydney Morning Herald*, 28 September 2006, p 12.

48 Sydney IVF, transcript, 3 February 2006, pp 42-43.

49 Australian Bureau of Statistics, *Births, Australia, 2005* (2006), Cat No 3301.0, p 7.

50 Weston R, Qu L, Parker R and Alexander M, Australian Institute of Family Studies, *'It's not for lack of wanting kids': A report on the Fertility Decision Making Project* (2004), pp 6-7; and Xu L and Weston R, 'Starting out together: Through cohabitation and marriage', *Family Matters* (2002), Australian Institute of Family Studies, no 60, p 77.



number of intimate relationships.<sup>51</sup> Dr Bob Birrell of Monash University gave evidence to the inquiry of a serious decline in partnering levels over the past 20 years, particularly married partnering levels, which still indicate the strongest likelihood of having a family.<sup>52</sup>

- 1.45 Submissions to the inquiry also suggest that people are taking longer to get into a position of financial security, including those who have partnered and are hoping to have children.<sup>53</sup> Higher material standards of living, housing prices and the cost of tertiary education have led to high levels of household debt, and this may delay a decision to start a family. Children require a significant financial commitment: the National Centre for Social and Economic Modelling found that it cost about \$448,000 (in 2002 dollars) to raise two children from birth to age 20.<sup>54</sup>
- 1.46 In reality, these direct expenses represent only a part of the costs of raising children. While all women who take time out of the labour force to have children are affected by loss of income, the opportunity costs are particularly high for tertiary qualified women who are a significant proportion of our human capital. It has been estimated that it costs a graduate woman about one-third of all her future possible earnings to have a child.<sup>55</sup> This sum represents the cost of time out of the labour force, the atrophy of professional skills and knowledge, probable periods of part time work and the stunted career development associated with the part time 'mummy track'. Our economy bears a cost as well, in the loss or lower productivity of many of our most highly educated and skilled workers.
- 1.47 While it remains so difficult for women to have both a family and a career, or while, at least, combining the two forces such a compromise, some women will inevitably decide that the costs of motherhood are too high. Deidre Macken, who has interviewed many

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51 Whin J, 'Becoming adult in the 2000s: New transitions and new careers,' *Family Matters* (2004), Australian Institute of Family Studies, no 68, pp 6-12; see also Macken D, *Oh no, we forgot to have children!: How declining birth rates are reshaping our society* (2005), Allen and Unwin, pp 166-67.

52 Birrell B, transcript, 14 June 2006, p 24.

53 See, for example, Young P, sub 21, p 1; Batchler L, sub 87, p 1, or Cotter A, sub 13, p 1.

54 National Centre for Social and Economic Modelling, *All they need is love... and around \$450,000* (2002) AMP/NATSEM Income and Wealth Report, no 3, p 1.

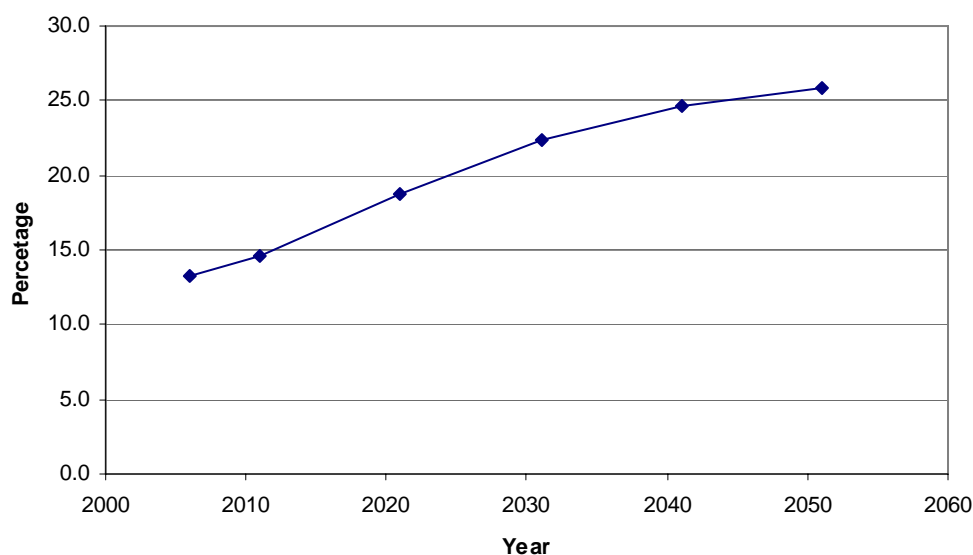
55 Chapman B, Dunlop Y, Gray M, Liu A and Mitchell D, 'The impact of children on the lifetime earnings of Australian women: Evidence from the 1990s,' *Australian Economic Review* (2001), vol 34, no 4, p 383.

women in the course of her research into low fertility, observes that, 'In today's society women don't 'instinctively' have children, they look at the world around them and make choices.'<sup>56</sup>

## Ageing population

1.48 The long-term decline in fertility and increased life expectancies have already changed Australia's population age structure. At the time of Federation, less than one in 25 of the population were aged 65 years or more. They now comprise one in every eight Australians. Combined with the retirement of the baby boomers, the effects of low fertility and increased longevity are expected to accelerate population ageing over the next two decades.<sup>57</sup> By the years 2044-45, it is projected that one in four Australians will be over the age of 65.<sup>58</sup>

Figure 1.8 Projected proportion of the population over the age of 65



Source: Australian Bureau of Statistics, *Population Projections (2006)*, Cat No 3222.0, pp 42, 81. Data used is Series B, which assumes that the average total fertility rate will be 1.7 births per woman.

1.49 The Access Economics report of 2000 commissioned by the Chairman when she was the Minister for Aged Care, the intergenerational report of 2002, and subsequent policy work have highlighted that

56 Macken D, *Oh no, we forgot to have children! How declining birth rates are reshaping our society* (2005), Allen and Unwin, p 7.

57 Productivity Commission, *Economics implications of an ageing Australia* (2005), p xiv.

58 Productivity Commission, *Economics implications of an ageing Australia* (2005), pp xiii-xiv.

Australia and other OECD countries face significant fiscal pressures and challenges in service delivery.<sup>59</sup>

- 1.50 Government expenditure in health, aged care and pensions will likely increase, while the tax revenue base will decline. The 'dependency ratio' of our society - the ratio of the number of non working-age persons divided by the number of working-age persons - will rise. The Productivity Commission has suggested that if the average productivity performance of the past 30 years continues, per capita GDP growth may halve by the mid 2020s.<sup>60</sup> This highlights the imperative for mature aged workers to remain in the workforce longer and for women to return to the workforce after having children.
- 1.51 The shift to a consumption-based tax with the introduction of a Goods and Services Tax (GST) in 2000 will go some way towards reducing the economic impact of our ageing population. Also, as Access Economics has pointed out, there are a number of trends mitigating against the projections of the 2002 intergenerational report. Spending growth under the Pharmaceutical Benefits Scheme (PBS) has slowed. Retirement ages are rising, migration targets have risen and birth rates appear to be stabilising. Women's participation rates have also increased faster than the anticipated projections.<sup>61</sup>
- 1.52 Nevertheless, Australia will still need to work to ensure its economic sustainability by maximising:
- population (how many people are available to participate in the workforce);
  - productivity (how much each of these workers can produce); and
  - participation (how many of these workers choose to work).<sup>62</sup>
- 1.53 This committee engaged Access Economics to produce the research report referred to above on the economic effects of increased female participation in the workforce. Access noted that:

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59 Access Economics, *Too valuable to waste* (2000), for the Department of Health and Aged Care; the Treasury, *Intergenerational report* (2002), Budget Paper no 5, Federal Budget 2002-03; and Productivity Commission, *Economics implications of an ageing Australia* (2005).

60 Productivity Commission, *Economics implications of an ageing Australia* (2005), p xii.

61 Access Economics, Appendix D, p 5.

62 Access Economics, Appendix D, p 2.

Increased workforce participation is the only real counter to the effect of low growth in the working age population on economic growth – and therefore national income.<sup>63</sup>

- 1.54 Access considered alternative future scenarios for the workforce participation of women and the potential impact of further gains. They found that the economic projections made in the Government's 2002 intergenerational report could have had more sensitivity analysis with respect to workforce participation rates of women, given the range of factors impacting on female labour supply, such as the availability of part-time work and child care availability.
- 1.55 The modelling performed by Access Economics produced the following results:
- A scenario in which there were no further gains in women's participation would result in a 2041-42 per capita output of \$2,100 or 2.8 per cent *less* than that implied in the intergenerational report – equivalent to a loss of \$61.8 billion in real output.
  - An increase in part time participation only, with full time participation remaining at current levels, would result in a 2041-42 per capita output of \$1,458 or 1.9 per cent *less* than that implied in the intergenerational report – equivalent to a loss of \$42.4 billion in real output.
  - Access also modelled an increase in the overall participation pattern of women, maintaining current proportions of part and full time work, and assuming that the current gap in men's and women's participation rates would be halved.<sup>64</sup> This scenario would result in a 2041-42 per capita output of \$2,237 or 2.9 per cent *more* than that implied in the intergenerational report – equivalent to a gain of \$65.1 billion in real output.
  - An increase in women's full time participation, halving the gap between men and women's full time participation, would produce the most astonishing results for our national economy. This scenario would result in a 2041-42 per capita output of \$3,385 or 4.4 per cent *more* than that implied in the intergenerational report – equivalent to a gain of \$98.4 billion in real output.
- 1.56 Access Economics commented on the results:
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63 Access Economics, Appendix D, p 10.

64 Access Economics, Appendix D, p 12.

These sums are enormous.

Past analysis has suggested that the tax reforms of 2000 may have added somewhere in the region of 2.5 per cent to the national income of Australians... while promoting national competition policy may have added 5.5 per cent.

Therefore these results are revealing. They suggest that the benefits to the national income of boosting full time female participation rank somewhere above those of tax reform and below those of promoting competition policy. Such estimates are imprecise at best, but they are a timely reminder of the importance of an issue that will grow with the passing of time...

The potential 'bang for the buck' in policies which help to unlock the participation and productivity of women workers is large, not merely in the longer term, but - given the current capacity constraints which the Reserve Bank has highlighted - in the short term as well.<sup>65</sup>

- 1.57 Of course, at the same time that the ageing population is creating a need to boost workforce participation in Australia, it is also causing increased aged care demands. The Productivity Commission expects that government expenditure on aged care will increase from around 0.86 per cent of GDP to around 2.24 per cent in 2044-45.<sup>66</sup> This sizeable increase does not include private outlays of time and money that people will make to care for their ageing family members.
- 1.58 This demographic pattern is leading to a 'care crunch', converging particularly on middle-aged Australians who, after having delayed their own parenting, find that they are responsible for caring for both children and ageing parents. This stress will fall largely on women. The National Centre for Social and Economic Modelling (NATSEM) found in 2005 that of the 105,000 primary carers aged less than 65 and caring for an aged parent, nine out of every ten were women.<sup>67</sup>
- 1.59 While expectations are that women's workforce participation rates will continue to increase, as they have for the last 30 years, this cannot be taken for granted, particularly if the balance between paid work

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65 Access Economics, Appendix D, pp iii, iv.

66 Productivity Commission, *Economics implications of an ageing Australia* (2005), p 175.

67 National Centre for Social and Economic Modelling, *Who cares? The cost of caring in Australia in 2002 to 2005* (2006), AMP.NATSEM Income and Wealth Report, issue 13, p 9.

and care obligations becomes more and more difficult to achieve. Access Economics notes that:

Participation by women aged 20-54 seems to have reached a plateau during the 1990s, particularly in the younger cohorts. This may have to do with time taken off to have and look after children. If that were the case, government policy to improve access to child care may increase participation.<sup>68</sup>

- 1.60 It is true that focussing on boosting participation rates of mature-aged workers up to and beyond retirement age represents a great potential dampener on the effects on the ageing population on our economy, and the committee is supportive of policies that encourage Australians to extend their working lives where possible.<sup>69</sup>
- 1.61 Nevertheless, the committee believes that significant barriers to mothers' workforce participation should also be addressed. The Australian Bureau of Statistics' finding in 2005 that 162,000 women were available to work but were not actively looking for work for child care reasons is indicative of such barriers. Given heavy investment in skills and education, the government has an interest in retaining more women for the benefit of our nation.<sup>70</sup> As the Access Economics modelling illustrates, the potential impact of any increases will have a quantifiable effect on national income:

Australia's women are too valuable to waste – and their participation choices will make a notable difference to Australia's future prosperity.<sup>71</sup>

## **Work and family debate**

### **Who is affected by work and family stress?**

- 1.62 It has been acknowledged at the highest level of political leadership that work and family balance is a crucial issue to the Australian community. In 2002, Prime Minister John Howard said, 'Nothing is more important than the debate that goes in the community – I call it

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68 Access Economics, Appendix D, p 10.

69 Access Economics, Appendix D, p 10.

70 See chapter five, p 6.

71 Access Economics, Appendix D, p iii.

a barbecue-stopper – about the balance between work and family’. ‘Barbecue-stopper’ has since become a signature for the debate.

- 1.63 In a Families Australia poll released in 2006, two-thirds of surveyed Australians believed that striking a good balance between work and family life was now more difficult than five years ago. A similar proportion of people felt that they had less time for family and friends than five years ago.<sup>72</sup>
- 1.64 In the Relationships Indicators Survey (2003) conducted by Relationships Australia, 89 per cent of respondents ‘agreed that relationships are in trouble because finding a work-life balance is so difficult’. Lack of time to spend together was nominated as the biggest negative influence on partner relationship quality.<sup>73</sup>
- 1.65 Similarly, a survey by the Australian Childhood Foundation in 2005 found that three out of four parents believed that balancing work and family was a serious issue for them.<sup>74</sup> And the Longitudinal Study of Australian Children, *Growing up in Australia*, has found that working parents are more likely now to indicate that they feel rushed. Forty-seven per cent of working parents stated that they felt rushed always or often, as compared to 36 per cent of non-working parents.<sup>75</sup>
- 1.66 Evidence given to the committee has reiterated the intensity and the predictability of everyday work and family stress. Families are continually making compromises between competing priorities:

You have the dreaded child care number come up on your mobile phone just when you are about to go into a meeting and you feel terrible.<sup>76</sup>

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72 Families Australia, ‘Families Australia survey shows pressures on families and relationships on the rise’, media release, viewed on 31 July 2006 at <http://www.familiesaustralia.org.au/>.

73 Relationships Australia, *Relationships Indicators Survey 2003*, viewed on 31 July 2006 at <http://www.relationships.com.au/utilities/about/ri2003full.pdf>.

74 Goddard C, Mitchell J and Tucci J, ‘The changing face of parenting: Exploring the attitudes of parents in contemporary Australia’ (2005), Australian Childhood Foundation, viewed on 17 July 2006 at <http://www.childhood.org.au/downloads/2005%20The%20Changing%20Face%20of%20Parenting.pdf>

75 Australian Institute of Family Studies, for the Department of Family and Community Services, *Growing up in Australia: the longitudinal study of Australian children - Annual Report 2004*, viewed on 31 July 2006 at <http://www.aifs.gov.au/growingup/pubs/ar/annualreport2004.pdf>, p 12.

76 Burchsmith E, transcript, 13 March 2006, p 44.

It means... begging child care for those ad hoc occasions. It means always being 'in debt' to a variety of people. It means last minutes panics when children need to stay home ill. It means constant long-term trade offs within the family for annual leave for school holiday care, business travel needs and so on.<sup>77</sup>

I am stuck in a catch-22 situation with it all. It does make it very hard.<sup>78</sup>

It is very hard to achieve work and family balance. I have had to be super organised in every way. Some days I feel so tired but I look at the bigger picture and keep on going.<sup>79</sup>

From dropping the children off at kindy, running to work, working all day, running home, making dinner, with tired children, I feel on a daily basis as though the balls are dropping around me.<sup>80</sup>

Families [are in] a 'pressure-cooker' situation where, no matter which way they turn, there are major and unending stresses to deal with.<sup>81</sup>

- 1.67 Data collected by the Household, Income and Labour Dynamics in Australia Survey (HILDA) suggest that the main indicators for work-family stress are being employed full time, being a woman, and being single. In particular, it suggests that single mothers will significantly increase their stress levels if they change from part time to full time work. However, a majority of all groups report at least a medium level of work-family stress.

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77 Davies K, sub 4, p 1.

78 Griffin S, transcript, 13 March 2006, p 21.

79 Anna, community statements, transcript, 2 August 2005, p 50.

80 Romer J, transcript, 18 October 2006, p 9.

81 Taylor E, sub 14, p 1.



Table 1.1 Work-family stress by gender, marital status and working hours, 2003 (%)

	Low (1-2)	Medium (3-5)	High (6-7)	Total
<i>Employed full-time</i>				
Single mothers	17.1*	68.6	14.3*	100.0
Couple mothers	23.0	67.0	10.1	100.0
Single fathers	17.0	74.0	9.1*	100.0
Couple fathers	22.0	72.8	5.2	100.0
Total	21.6	71.6	6.8	100.0
<i>Employed part time</i>				
Single mothers	29.7	62.5	7.8*	100.0
Couple mothers	37.2	57.7	5.1	100.0
Single fathers	28.7*	71.3*	0.0*	100.0
Couple fathers	32.0	62.7	5.3*	100.0
Total	35.3	59.4	5.3	100.0

Source: Headey B, Warren D and Harding G, *Families Incomes and Jobs: A Statistical Report of the HILDA Survey (2006)*, Melbourne Institute of Applied Economic and Social Research, p 7. \*Estimate not reliable.

1.68 Types of work and family stress differ according to geographic location and industry. In metropolitan areas, submissions to the inquiry state that high housing prices, dual-income mortgages and child care costs are putting stress on family budgets. They are also significantly affecting parents' decisions about when to return to work after the birth of a child. In outer metropolitan areas, there are issues with community facilities, child care provision and poor public transport that is extending travelling time for parents trying to get to work.<sup>82</sup>

1.69 In regional and rural areas of Australia, child care can be extremely limited, with little or no choice and restricted opening hours. As an example, one mother wrote in her submission to the inquiry:

Living in a small country town poses a major disincentive to starting a family because of the lack of full time and part time child care available for families.<sup>83</sup>

1.70 Distances to places of work and career development limitations also have an impact:

82 See, for example, Uniting Care Burnside, sub 89, p 8; and Shop Distributive and Allied Employees Association Ltd, sub 39, p 16.

83 Marsh J, sub 11, p 1.

There are many rural and remote women who never return to the paid workforce, particularly in their chosen field of expertise.<sup>84</sup>

- 1.71 Work and family stress is also experienced differently across different industries, according to the unique requirements of the job. The committee took evidence from workers in industries as diverse as supermarket retail, engineering, law, public service, electrical maintenance, advertising, urban planning, police services, defence, caring, mining and small business. Unsurprisingly, each type of job represented different challenges to work and family balance. For example, many professionals work long hours. Police officers are required to do overnight shift work and to relocate occasionally. Defence personnel have acute problems in managing the child care and education logistics of continual family relocation and deployment.
- 1.72 Those outside the labour force are also affected by work and family balance. The proportion of jobless households in Australia is approaching 14 per cent, whereas the OECD average is under 10 per cent.<sup>85</sup> As figure 1.9 shows, more Australian children are growing up in households where neither parent is employed than 20 years ago. In 2004, of all families with dependents, 20 per cent had no employed parent.<sup>86</sup> The unemployment rate in Australia has dropped since this data was collected, so the current jobless household rate is expected to be slightly less than as represented here.

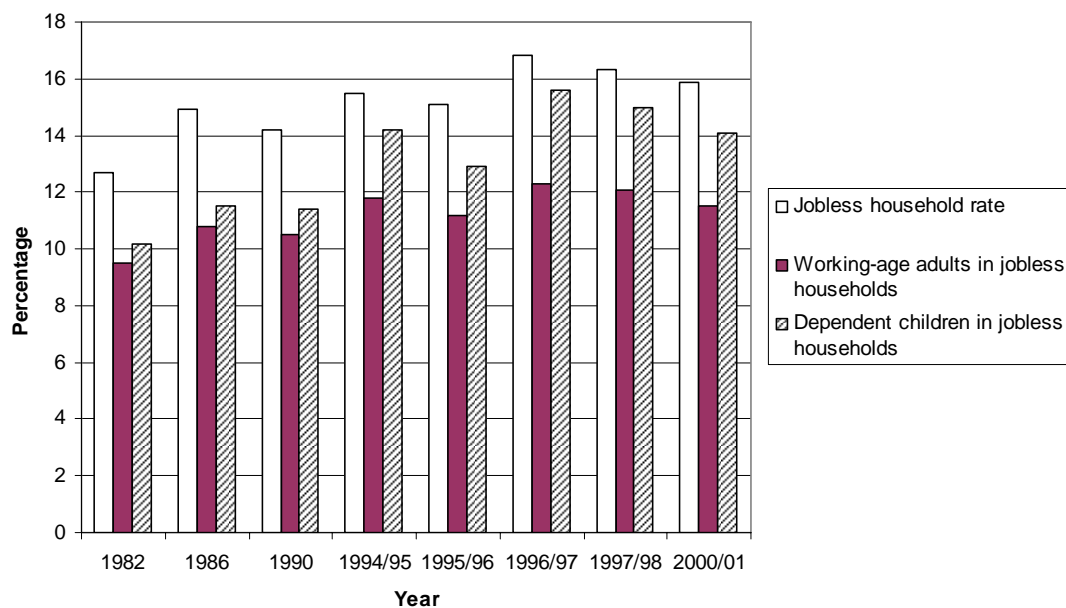
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84 Isolated Children's Parents' Association of Australia Inc, sub 55, p 3.

85 OECD, 'OECD Index of Statistical Variables, Unemployment, Jobless Households', viewed at <http://www.oecd.org/dataoecd/32/21/36029941.html> on 10 November 2006.

86 Australian Institute for Family Studies, sub 76, p 14.

Figure 1.9 Jobless household rates, 1982 to 2000-01



Source: Dawkins P, Gregg P and Scutella R, 'Employment Polarisation in Australia', *The Economic Record* (2005), vol 81, p 338.

1.73 For many parents not in paid work, the high proportion of their income derived from government assistance and the taper rate on means-tested payments mean that returning to work is a complex and confronting decision.

1.74 Professor Alan Hayes, Director of the Australian Institute for Family Studies told the committee:

It is critical that government policies aim to ensure that at least one parent in a family is in paid work for the sake of children as well as the welfare of adults.<sup>87</sup>

There is a long history of research on risk factors... [Parents'] participation in the workforce is probably one of the biggest protective factors for children and children's development, health and wellbeing.<sup>88</sup>

1.75 The Australian Government's Welfare to Work reform package, of \$389.7 million over five years, is targeted at increasing the participation of mothers and others in the workforce. Many parents, particularly single parents, may be making the transition to paid work for the first time after many years of labour force withdrawal. The

87 Australian Institute for Family Studies, sub 76, p 16.

88 Hayes A, transcript, 2 August 2005, p 41.

Welfare to Work program recognises child care as a determining factor for mothers returning to work. If there is no approved outside school hours care available for the times that the parent is expected to work, they do not have to accept a job offer; nor do they have to accept an offer if child care costs are going to leave them less than \$25 per week better off after wages are paid.<sup>89</sup> It is important that government policy continue to recognise such barriers to participation in the paid workforce.

- 1.76 Work and family stress reverberates back into family life; onto children, and onto extended family members. It affects the ability of workers and their families to participate as fully as they might like in their communities. At the workplace level, it has consequences for all workers through increased rates of colleague absenteeism, illness, reduced productivity and stress.<sup>90</sup>
- 1.77 At a time when it is crucial for Australia to maximise its workforce participation, raise productivity levels and retain skilled workers, it is imperative that work and family balance becomes a major priority for government. As Barbara Pocock writes:

The work/life collision has important effects beyond how we *feel*: it affects vital economic and demographic trends.<sup>91</sup>

## Role of fathers

- 1.78 There is increasing pressure on fathers to be better parents and to have an active and nurturing presence in their children's lives. Amongst a younger generation of fathers, as well, there is a belief that if men and women in a partnership both do paid work, they should share domestic and caring work.<sup>92</sup> A random survey of 1000 Australian fathers conducted in 1999 found that many fathers saw being accessible to their children as 'the most important aspect of their role... in terms of the impact they have on their children's wellbeing and adjustment'. What was most striking overall was:

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89 Morehead A, Department of Employment and Workplace Relations, transcript, 31 May 2006, p 12.

90 Campbell I and Charlesworth S, Centre for Applied Social Research, RMIT University, 'Background report: Key work and family trends in Australia' (2004), p 40.

91 Pocock B, *The work/life collision* (2003), The Federation Press, p 5.

92 Human Rights and Equal Opportunity Commission, *Striking the balance: Women, men, work and family* (2005), discussion paper, pp 53-54.

...the similarity in the desires of fathers and mothers to participate fully in their children's lives while pursuing work for both financial and personal gain.<sup>93</sup>

- 1.79 In the same survey, however, 68 per cent of fathers said that they did not spend enough time with their children, and believed that the major barriers to being an involved parent were their commitments to paid work.<sup>94</sup> Similarly, a 2004 survey found that fathers of preschool children were more likely than mothers to say that their jobs resulted in them missing out on home and family activities.<sup>95</sup>
- 1.80 The percentage of Australians working long hours has increased since the 1970s. While this is true for both men and women, the majority of those working extremely long hours are men.<sup>96</sup> Men are also much less likely than women to take up family friendly provisions such as parental leave, part time work or flexible working hours.<sup>97</sup>
- 1.81 Clearly, long hours and inflexibility in the workplace impact on fathers' ability to support their partners and children with domestic work, including child care. Men's housework, for example, accounts for only 30 per cent of all household work in Australia.<sup>98</sup> Yet the Human Rights and Equal Opportunity Commission states that, 'On average, men and women spend a similar amount of their time each day on paid and unpaid work combined, 7.08 and 7.2 hours per day respectively'.<sup>99</sup>
- 1.82 Traditionally, men bear the greatest responsibility for financially providing for their families, and men working long hours may be conscious of that:

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93 Russell G et al, cited in Hand K and Lewis V, 'Fathers' views on family life and unpaid work', *Family Matters* (2002), no 61, pp 26, 29.

94 Russell et al, cited in Hand K and Lewis V, 'Fathers' views on family life and unpaid work', *Family Matters* (2002), no 61, p 26.

95 Leung C, 'Fathers of preschoolers are 'missing out'' *The Age*, 15 February 2006, p 5.

96 Weston R, Gray M, Qu L and Stanton D, 'Long work hours and wellbeing of fathers and their families' (2004), Australian Institute of Family Studies, Research Paper no 35, p 1.

97 Bittman M, Hoffman S and Thompson D, Social Policy Research Centre, University of New South Wales, 'Men's uptake of family-friendly employment provisions' (2004), Policy Research Paper no 22, Department of Family and Community Services.

98 Human Rights and Equal Opportunity Commission, *Striking the balance: Women, men, work and family* (2005), discussion paper, p 26.

99 Australian Bureau of Statistics, cited in Human Rights and Equal Opportunity Commission, *Striking the balance: Women, men, work and family* (2005), discussion paper, p 26.

For men who are the primary or sole earners in their family, the workplace may be more stressful than for women, given that the risk of unemployment carries the added risk of family poverty.<sup>100</sup>

- 1.83 The Fertility Decision Making project conducted by the Australian Institute of Family Studies found that for both men and women considering starting a family or having another child, the man's job security and being established in his career was ranked as being more important than the woman's job security or career consolidation.<sup>101</sup> This is a historical legacy of the nuclear family, however, and may change as women's wage parity increases in line with the human capital they hold. A minority of families are beginning to make different decisions based on that: for example, female breadwinner families, or couples who both work three or four days per week.

Table 1.2 Men's working hours and well being scores

	Usual hours (per week)			
	35-40	41-48	49-59	60+
Satisfaction with job overall	7.5	7.2	7.3	7.4
Satisfaction with relationship with partner	8.5	8.5	8.7	8.8*
Satisfaction with relationship with children	8.6	8.8	8.7	8.8
Negative effect on work-family balance	14.9	15.9*	17.2***	18.8***
Positive effect on work-family balance	14.0	13.7	13.9	13.9
General health	73.2	74.1	73.1	71.5
Vitality	68.2	66.6	65.2*	62.7***

Source: Weston R, Gray M, Qu L and Stanton D, Long work hours and the wellbeing of fathers and their families (2004) Australian Institute of Family Services, Research Paper No. 35, p 15. Relationship satisfaction statistics are self reports. Asterisks denote level of statistical significance against the results for 35-40 hours per week. Confidence levels are: \* 5 per cent; \*\* 1 per cent; \*\*\*0.1 per cent.

- 1.84 The culture of long working hours may be symptomatic of industry type, pervasive workplace or occupational culture, or of the continuing tendency for men to draw identity and meaning from their jobs. The Australian Institute for Family Studies found that overall, fathers' satisfaction with their working hours decreased as the number of hours worked increased. Table 1.2 shows that fathers working in excess of 48 hours a week reported a lower sense of vitality and more negative effects on family life than those working 35

100 Human Rights and Equal Opportunity Commission, *Striking the balance: Women, men, work and family* (2005), discussion paper, p 13.

101 Weston R, Qu L, Parker R and Alexander M, Australian Institute of Family Studies, *'It's not for lack of wanting kids': A report on the Fertility Decision Making Project* (2004), p 126.

to 40 hours per week. Of those working more than 60 hours per week, 58.1 per cent would have preferred to work fewer hours.<sup>102</sup>

- 1.85 Interestingly, when these results are collated according to men's self-reported satisfaction with their working hours, a different picture emerges. Table 1.3 shows that men who are satisfied with long working hours are also satisfied with their work and family balance. This suggests that some men do genuinely enjoy working long hours, and that long hours are not automatically associated with poorer personal and family wellbeing.

Table 1.3 Men's well being scores based on their satisfaction with work hours

	35-40 hours			60+ hours		
	Low	Mod	High	Low	Mod	High
Satisfaction with job overall	6.8	7.1	7.8***	6.4	7.7***	8.9***
Satisfaction with relationship with partner	8.1	8.4	8.6	8.6	8.9	9.1*
Satisfaction with relationship with children	8.6	8.5	8.6	8.5	8.9	9.1**
Negative effect on work-family balance	16.5	15.7	14.4*	20.7	18.9*	15.4***
Positive effect on work-family balance	12.8	13.8	14.2*	13.3	13.6	15.2***
General health	69.7	71.0	74.7	68.1	74.8*	73.1
Vitality	64.9	65.4	69.7*	56.8	64.4*	70.4***

Source: Weston R, Gray M, Qu L and Stanton D, *Long work hours and the wellbeing of fathers and their families (2004)*, Australian Institute of Family Services, Research Paper no 35, p 17. Relationship satisfaction statistics are self reports. Asterisks denote level of statistical significance against the results for low satisfaction. Confidence levels are: \* 5 per cent; \*\* 1 per cent; \*\*\*0.1 per cent.

- 1.86 It is accepted that women bear stress in combining work and family, as a result of increased workforce participation without society and institutions changing in response. A Relationships Australia survey in 2003, however, found that men were significantly more likely than women to say that they had no real choice in how they balanced paid work with family commitments.<sup>103</sup> This may reflect the pressure of being a primary breadwinner and workplace expectations about men's continued presence and availability as workers.

## Can people work *and* enjoy their families?

- 1.87 The economic arguments for increased workforce participation across all age groups are undeniable, and particularly so for women. For

102 Weston R, Gray M, Qu L and Stanton D, 'Long work hours and wellbeing of fathers and their families' (2004), Australian Institute of Family Studies, Research Paper no 35, p ix.

103 Relationships Australia, *Relationships Indicators Survey 2003*, viewed on 31 July 2006 at <http://www.relationships.com.au/utilities/about/ri2003full.pdf>.

some, the policy aim of increasing women's participation might be perceived as antithetical to the policy aims of increasing national fertility.

- 1.88 In fact, the committee received considerable evidence that a stay-at-home mother is no longer correlated with higher fertility. Rather, fertility is now positively associated with a woman's workforce participation:

Most of us were brought up to associate high levels of fertility with traditional values stressing the primacy of the family, and with a traditional gender division of labour in the workplace... This is no longer the case... High levels of fertility [are] occurring precisely in those countries where women's labour force participation is greatest... In a world where women's work is an economic necessity and a cultural preference, factors promoting women's work are simultaneously and necessarily factors promoting higher national levels of fertility.

The great weight of available evidence shows that policies that permit and, indeed encourage women to stay in the labour force when they have children are the policies most conducive to maintaining levels of fertility at or near replacement level.<sup>104</sup>

- 1.89 Professor Peter McDonald of the Australian National University told the committee that:

The general relationship across countries is that, surprising as it may seem, the countries that have the highest labour force participation rates for women have the highest fertility.<sup>105</sup>

- 1.90 The *Economist* has also argued that government policy should recognise the links between women's workforce participation, support for families and national fertility:

Countries with high female labour participation rates, such as Sweden, tend to have higher fertility rates than Germany, Italy or Japan, where fewer women work. Indeed, the decline in fertility has been the greatest in the several countries where female employment is low... To make full use of their

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104 Castles F, 'Three facts about fertility: Cross-national lessons for the current debate', *Family Matters*, Australian Institute of Family Studies (2002), no 63, pp 25, 27.

105 McDonald P, transcript, 15 February 2006, p 7; see also Australian Institute of Family Studies, transcript, 2 August 2005, p 36.



national pools of female talent, governments need to remove obstacles that make it hard for women to combine work with having children.<sup>106</sup>

- 1.91 For some of those who wrote submissions to the inquiry or gave evidence at public hearings, the committee's interest in promoting both workforce participation and parenting conflicted with their ideals about care for children:

It is parents who are best qualified by commitment, emotional bonds and experience to rear their children, not 'professional' child minders, no matter how well qualified... If some parents, for whatever reason, want to work and put their children in child care, that's their decision, but it defies logic to argue that the taxpayer should subsidise them abrogating their responsibilities.<sup>107</sup>

- 1.92 In particular, some were uncomfortable with the disruption of maternal time by mothers returning to paid work:

Research shows that children fare better with parental (often maternal) involvement in the early years... We suspect that far too many submissions to this inquiry will just assume that all or most mums want to work.<sup>108</sup>

The push to get more mothers into the workforce means that many young mothers are now paying a heavy price for a social policy that has relied on a rickety set of women's rights clichés and which has deprived them of the right NOT to work: the institutional care of their children.<sup>109</sup>

This agenda of subsidised, universally available, high-quality professional child care is misconceived, and a rethink is needed. It is only in very unhealthy situations that this is in the best interests of infants or their mothers.<sup>110</sup>

- 1.93 The committee respects the opinions of those who believe that children should only be cared for by their biological parents, or particularly, by their mothers. Parenting and parenting decisions are

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106 'A guide to womenomics: Women and the new world economy', *The Economist*, 15 April 2006, p 70.

107 Morgan B, sub 3, pp 2-3; see also Evatt V, Australian Association for Infant Mental Health, transcript, 13 March 2006, p 6.

108 Australian Family Association, sub 35, pp 3 and 5.

109 Shanahan A, sub 44, p 1.

110 Cook P, sub 180, p 2.

never going to be easy. The committee believes that Australian parents will, when given choice and when supported in their choices, make the best decisions for their families about how to arrange their work and family lives.

- 1.94 The committee also believes, however, that such views do not necessarily take into account the complexity of financial, social and career pressures on young families, and the isolation of many from extended family and traditional support networks. Participation in paid work in no way dilutes consideration about how best to care and provide for children. As the Australian Institute of Family Studies told the committee:

Discussions about paid work and family life often ignore the fact that the breadwinning contributions of either parent represent an essential dimension of their caring or parenting responsibilities.<sup>111</sup>

- 1.95 Similarly, Dr JaneMaree Maher of the Centre for Women's Studies at Monash University said that despite intense ideological discussion in Australia about motherhood, most mothers were focussed on the practical, everyday tasks of providing for their families. Dr Maher reported that in a recent large qualitative study, women had been particularly insistent that paid work was a part of good mothering, in that it enabled them to carry out these tasks:

Paid work was the way that they looked after their children, and they did not want to have discussions about whether a mother is a good mother if she is not eyeball-to-eyeball with her child. That is not good mothering as far as they are concerned; good mothering is making sure that their children are safe and well and have slightly more opportunity than they did...

People make specific choices to manage as best they can in the circumstances. We talk about good mothering and motherhood statements, but the vast part of mothering is actually work. It means making sure that children are fed and looked after and organised to go to school so that they can be educated and become productive citizens in the future.<sup>112</sup>

- 1.96 The link between a mother working and outcomes for her children is more complicated than it initially appears. Barbara Pocock and Jane
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111 Hayes A, transcript, 2 August 2005, p 34.

112 Maher A, transcript, 10 April 2006, p 62.

Clarke of the University of Adelaide conducted a series of focus groups amongst 10-12 and 16-18 year olds to explore how they felt about their parents' work. Pocock and Clarke concluded:

It is not whether parents go to work or not, but the state in which they come home, that really affects children. This 'state' reflects objective characteristics of jobs (like hours and intensity) as well as the extent to which parents' preferences match their jobs. The debate about whether to work or not needs to be reframed in Australia... In particular, less attention should be paid to the issue of whether mothers have paid jobs, and more to the work of fathers.<sup>113</sup>

- 1.97 Similarly, Suzanne Bianchi found that evidence for poor children's outcomes as a result of maternal employment was weak. Bianchi contends that despite the rapid rise in mothers' participation in the paid workforce, the amount of time that mothers spend with their children has not decreased hour-for-hour. In fact, it has remained relatively stable. This is because working mothers actively organise their working lives so as to maximise time with children and because hours spent on housework are declining. Also, fathers are spending more time with their children than they did 30 years ago.<sup>114</sup>
- 1.98 Certainly, many parents do not feel that their employment impacts adversely on their children. The Longitudinal Study of Australian Children, *Growing up in Australia*, found that parents had quite a positive view of work, both in terms of its impact on them and their children. Around 70 per cent of parents agreed that working made them feel more competent. Forty-nine per cent felt that their working had a positive effect on their children, while a further 37 per cent felt the effect was neither positive nor negative.<sup>115</sup>
- 1.99 A 2006 British study tracking 2600 British women for nearly 30 years found that working mothers had better long-term health than stay-at-home mums or childless women.<sup>116</sup>

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113 Pocock B and Clarke J, 'Time, money and job spillover: How parents' jobs affect young people', *The Journal of Industrial Relations* (2005), vol 47 no 1, p 62.

114 Bianchi S, 'Maternal employment and time with children: Dramatic change or surprising continuity?' *Demography* (2000), vol 37, pp 401-414.

115 Australian Institute of Family Studies, for the Department of Family and Community Services, *Growing up in Australia: the longitudinal study of Australian children*, Annual Report (2004), viewed on 31 July 2006 at <http://www.aifs.gov.au/growingup/pubs/ar/annualreport2004.pdf>, p 12.

116 Cresswell, A, 'Working mothers have better health,' *The Australian*, 16 May 2006, p 6.

- 1.100 These attitudes were reflected in the submissions made to the inquiry and the evidence provided by individuals at public hearings:

I work because I enjoy my job, because I think it brings a sense of satisfaction and because I can contribute something to the working community... I like the fact that my daughters can see mum going to work, that they see that it can happen.<sup>117</sup>

Remaining in the workforce was very important to me... I feel that I can add something to the workforce. I think my children get a better balanced mum.<sup>118</sup>

- 1.101 For many mothers, there are a range of reasons for combining paid work and family. Many are compelled by financial necessity:

Being in this situation – a modern mother and single – I did not even think twice about working. It was a case of, ‘I’m single, I need an income, I need to work’.<sup>119</sup>

As a young family we are just starting out and I simply could not afford not to work.<sup>120</sup>

- 1.102 Others are compelled by the pace and competitiveness of their chosen careers to keep their skills and qualifications current. Also, a small but growing percentage of couple families now consist of a female breadwinner and male homemaker, and have reversed the traditional division of family labour because of the mother’s higher earning potential.<sup>121</sup>

- 1.103 Participation in paid employment also increases mothers’ long-term financial security and that of their children, by minimising lost superannuation savings through labour force withdrawal. More equitable access to paid employment for women may go some way towards addressing the disparity in superannuation savings between men and women. It may also reduce, in the future, the number of elderly women living in poverty.

117 Somerville J, transcript, 13 March 2006, p 28.

118 Burchsmith E, transcript, 13 March 2006, p 30.

119 Keech C, transcript, 13 March 2006, p 33.

120 Anna, community statements, transcript, 2 August 2005, p 49.

121 Australian Bureau of Statistics figures from 2003 found that in 3.4 per cent of couple families with children aged 0-14, the father was not employed while the mother worked either full or part time. A proportion of these fathers, however, may be unemployed or out of the labour force for reasons of disability and illness, rather than the couple having made a decision about care on the basis of their respective incomes. *Australian social trends* (2006), Cat No 4102.0, p 41.

- 1.104 Paid work will not be the choice of some parents. But government policy should support the diversity of contemporary Australian families and the complexity of the caring arrangements that many are juggling. For the return of investment in skills, education and experience, and for the future health of the Australian economy, government policy should not only accept but embrace those parents who do wish to participate in paid work. Alison Wolf writes:
- We are no more likely to return to the old patterns than we are to subsistence agriculture, so we need to understand what the new female labour market means to all of our lives.<sup>122</sup>
- 1.105 The necessity for child care – increasingly, formal child care – as a result of parents’ paid employment should be viewed as an opportunity to invest in children’s development. Compared to other countries, Australia has a consistently high level of child care quality and high levels of accreditation compliance.<sup>123</sup> Evidence presented to the committee by individuals suggests that parents are in any case discerning in their choice of care for their children and will go to considerable lengths to secure an arrangement that they feel is most appropriate for their children.<sup>124</sup>
- 1.106 The Institute for Family Studies told the committee that, ‘Child care is a key contributor to the development, health and wellbeing of children’.<sup>125</sup> Children who attend high quality child care centres perform better in cognitive and social skills, and can be more ready to make the transition to pre-school and primary school.<sup>126</sup> A recent study by US psychologist Sarah Friedman found that low family income, low level of maternal education and lower levels of maternal psychological wellbeing – rather than hours spent in child care, or types of child care – were the strongest predictors of low development outcomes.<sup>127</sup>

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122 Wolf A, ‘Working girls’, *Prospect Magazine* (2006), issue 121, p 1, also viewed on 12 August 2006 at <http://www.onlineopinion.com.au/view.asp?article=4489>.

123 Australian Institute of Family Studies, transcript, 2 August 2005, p 43.

124 See, for example, Watson K, transcript, 21 June 2006, pp 2-11, and Stapledon A, sub 179, pp 1-2.

125 Hayes A, transcript, 2 August 2005, p 35.

126 Peisner-Feinberg E et al, *The children of the cost, quality and outcomes study go to school: Executive summary* (1999), University of North Carolina at Chapel Hill and Frank Porter Graham Child Development Center, p 1, viewed on 17 August 2006 at <http://www.fpg.unc.edu/NCEDL/PDFs/CQO-es.pdf>.

127 Friedman Dr S, ‘Is child care a risk factor for diminished cognitive and social child outcomes?’ presentation to the Australian Institute of Family Studies, 7 July 2006, viewed on 17 August 2006 at <http://www.aifs.gov.au/institute/seminars/2006/friedman.pdf>.

1.107 The results are most striking for children of disadvantaged backgrounds. Child health expert Professor Fiona Stanley told the committee, 'For disadvantaged children from poor families the influence of really good child care is enormous.'<sup>128</sup> This was confirmed by the National Council of Single Mothers and their Children, who repeated the findings of a sample survey of single mothers from 2001:

Despite the limitations [the expense and inflexibility], high quality affordable, accessible child care was important to reducing isolation among survivors of violence, migrant mothers and others who did not have ready access to informal care sources. The data indicate that accessible, affordable, safe child care remains fundamental to enabling single mothers to participate in paid work, particularly for migrant women and those who have survived violence.<sup>129</sup>

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128 Stanley F, transcript, 30 June 2006, p 66.

129 National Council for Single Mothers and their Children, sub 108, p 9.