

Starting families

- 4.1 The Australian Institute of Family Studies submitted that there is a significant gap between the number of children that families are having (1.8 for 2004-05) and the number that they regard as ideal (2.4 to 2.5).¹ Professor Peter McDonald gave the committee a broad explanation for these statistics:

... the desire for family life has remained remarkably resilient because of humankind's basic need for intimacy. Over 80 per cent of young people in their early twenties express the desire to marry and to have children, but, in their later 20s, when confronted by the realities of risk in today's social and economic institutional structures, many do not achieve these aims. It is not uncommon for regret to be expressed at older ages when people do not have children or are not in a satisfying intimate relationship. The high demand among older couples for medically assisted pregnancies is one manifestation of this situation.²

- 4.2 This chapter will explore the environment in which families are making these fertility decisions to help explain why families are unable to completely fulfil such an important aspect of their lives.

1 Australian Bureau of Statistics, *Australian demographic statistics, December quarter 2005* (2006), Cat No 3101.0, p 22 and Australian Institute of Family Studies, sub 76, p 5.

2 McDonald P, sub 134, p 2.

Financial disincentives to starting a family

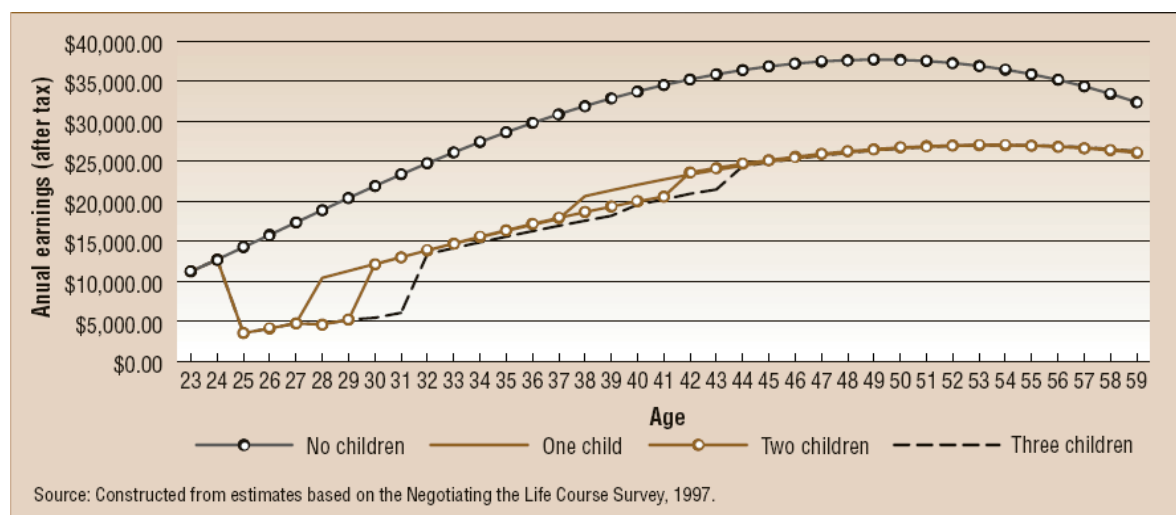
Loss of salary and wages

4.3 One of the most important disincentives to having children is the financial costs to the mother. In terms of salary, women who raise one or more children forego a certain amount of potential salary through the following:

- they lose salary if they leave the workforce for a period, or reduce the hours that they work;
- people who leave the workforce or decrease their hours either stop accruing on-the-job skills and experience or accrue it at a reduced rate, which affects their hourly wage rate; and
- being absent from the labour market leads to an atrophy in skills and experience, reducing the employee's hourly wage rate.³

4.4 In the journal *Family Matters*, Matthew Gray and Professor Bruce Chapman investigated these issues with data from 1997. They calculated the average loss of income for a hypothetical woman who completes secondary school and then commences having a family at the age of 25, with the option of further children at the ages of 27 and 29. The woman's earning pattern is represented in figure 4.1:

Figure 4.1 Lifetime earnings of women with completed secondary education, by number of children



Source: Gray M and Chapman B, 'Foregone earnings from child rearing', *Family Matters* (2001), no 58, p 8.

3 Gray M and Chapman B, 'Foregone earnings from child rearing', *Family matters* (2001), no 58, p 5.

- 4.5 The first observation from the figure is the decision to have the first child has a much greater effect on a woman's earnings than her decision to have a second or third child. In fact, the simple fact of having had a child reduces a woman's lifetime chance of being employed by 7 per cent.⁴ The authors calculated that, on average, this hypothetical woman would lose 37 per cent of her lifetime earnings by having one child. The results for women with differing levels of education are similar.⁵
- 4.6 Gray and Chapman compared this data against a similar study using data from 1986. The results are summarized in table 4.1:

Table 4.1 Estimated lifetime earnings due to having children, percentage of earnings of a comparable woman with no children

Mother's education	Degree		Secondary		Incomplete Secondary	
	1986	1997	1986	1997	1986	1997
One child	58.6	65.7	46.0	62.9	37.5	61.6
Two children	47.8	63.6	36.9	60.6	29.7	58.8
Three children	38.8	59.3	30.0	55.8	24.2	53.3

Source: Gray M and Chapman B, 'Foregone earnings from child rearing' *Family Matters* (2001), no 58, p 9.

- 4.7 The first point from the table is that all women in 1997 lost less income, on average, from having children than they would have in 1986. This is due to women with young children being more likely to participate in the labour force.⁶ Further, the gains were much higher for women with more children and for women with lower levels of education.
- 4.8 One of the explanations for this loss of lifetime earnings is that the most common distribution of work in couple families now is for one parent to work full time and the other part time.⁷ In these relationships, women usually make the sacrifice of working fewer hours to devote extra time to the family. The effect of part time work on earnings is demonstrated in figure 4.2 on the next page:

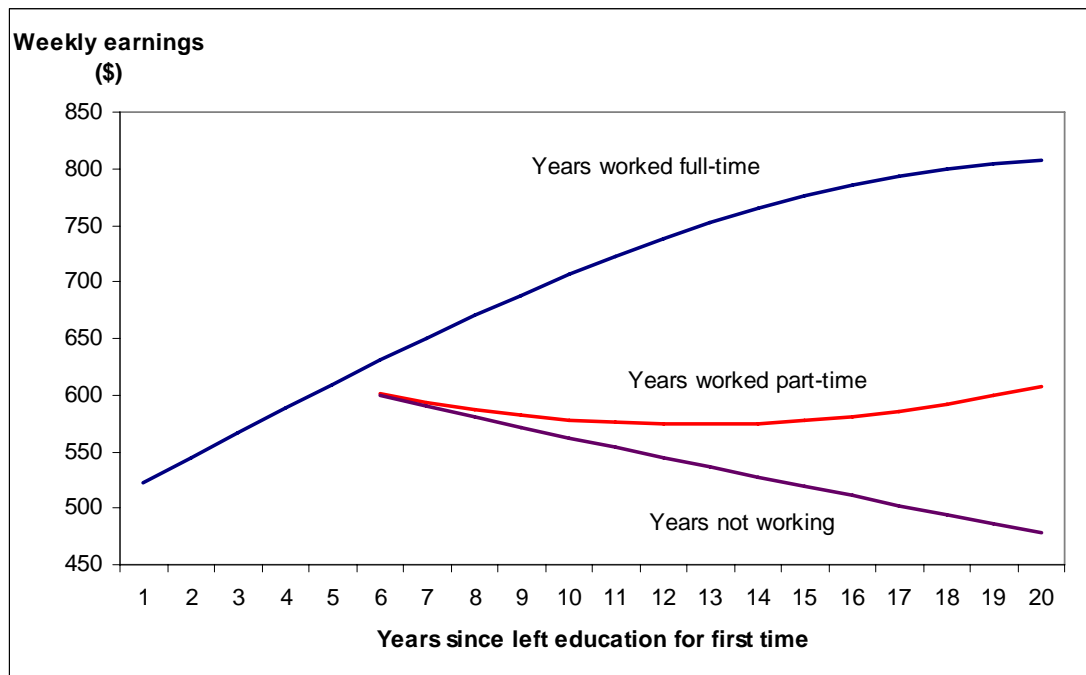
4 Gray M and Chapman B, 'Foregone earnings from child rearing' *Family matters* (2001), no 58, p 7.

5 Gray M and Chapman B, 'Foregone earnings from child rearing' *Family matters* (2001), no 58, p 8.

6 Gray M and Chapman B, 'Foregone earnings from child rearing' *Family matters* (2001), no 58, p 9.

7 Catholic Welfare Association, sub 65, p 21.

Figure 4.2 Estimated impact of employment history on current earnings of full-time employees



Source: Chalmers J and Hill P, 'Part-time work: Integrating or marginalizing women in the labour market?' Academy of the Social Sciences in Australia Workshop, 'Taking Care of Work and Family: Policy Agendas for Australia,' University of Sydney, 17-18 Nov 2005.

4.9 The graph shows the weekly earnings of an average employee who faces a decision, five years after finishing their education, of whether to finish work, work part time, or continue to work full time. Employees who stay full time continue to increase their earning capacity. The salaries of those who change to part time work will plateau. Employees who leave the workforce face a reduced salary when they return, with the reduction increasing for the amount of time out of a job.

4.10 Although many women will maintain their attachment to the workforce by moving to part time work, on average their salaries will remain steady. They do not receive recognition at the workplace for their extra period of work.

Superannuation

4.11 A number of submissions referred to the fact that, on average, women have less superannuation than men. In 2001, the Australian Bureau of Statistics reported that, for persons with superannuation who were yet to retire, the median balance for men was \$13,436, whereas the

median balance for women was \$6,399.⁸ The South Australian Premier's Council for Women outlined the reasons for this:

- Occupation linked superannuation schemes which disadvantages female employees and women who are not in the paid workforce;
- Compulsory employer contributions to superannuation being linked to wage levels which are low for women;
- Less hours spent by women in the paid workforce;
- Interruptions to women's work history due to child bearing, the care of children and extended family members; [and]
- Difficulties experienced by women in making additional voluntary payments into superannuation funds.⁹

4.12 The committee received evidence that women are two and a half times more likely than men to be living in poverty during retirement.¹⁰ Australia's superannuation arrangements appear to be geared towards a full time worker who continuously stays in the workforce for a period of 30 to 40 years. Women's patterns of work, in particular taking time off to have their children and working part time while they are young, means they have considerably less superannuation than men in later life.

Cost of raising children

4.13 In their paper, 'The Costs of Children in Australia Today,' Richard Percival and Ann Harding estimated what Australian families spent on raising children from birth to their 21st birthday. Their primary data source was the 1998-99 Household Expenditure Survey published by the Australian Bureau of Statistics (prior to the introduction of the family tax benefits). Their general observation was that, in 2002 dollars, it costs the average Australian couple \$448,000 to raise two children to their 21st birthday. This represents 23 per cent of the \$2 million earned by this couple during this time.¹¹

8 Australian Bureau of Statistics, *Superannuation, Australia, 2000* (2001), Cat No 6360.0, p 28.

9 South Australian Premier's Council for Women, sub 67, p 3.

10 Women's Electoral Lobby, sub 164, p 43.

11 Percival R and Harding A, 'The costs of children in Australia today', *AMP-NATSEM income and wealth report* (2002), issue 3, pp 6-7, viewed on 21 August 2006 at <http://www.natsem.canberra.edu.au/publication.jsp?titleID=CP0301>.

- 4.14 These authors updated their research for the 2005 report of the Ministerial Taskforce on Child Support (the Parkinson report).¹²
- 4.15 One of the important things to note about expenditure on raising children is that there is a great deal of variation, depending on the age of the child and the family's income. The Parkinson report compared costs of children in sole parent families for families on a low income (the bottom one-fifth of all couples with children), a middle income (the middle one-fifth) and a high income (the top one-fifth):

Table 4.2 Estimated average costs of a single child, sole parent families (2005-06 dollars per week)

Level of income	Average income	Age of child			
		0 to 4	5 to 12	13 to 15	16 to 17
Low income	284	77	81	94	179
Middle income	459	102	106	125	220
High income	1,169	184	186	218	345
Average	583	115	119	140	240

Source: Ministerial Taskforce on Child Support, *In the Best Interests of Children – Reforming the Child Support Scheme (2005)* Commonwealth of Australia, p 125, viewed on 3 December 2006 at <http://www.facs.gov.au/internet/facsinternet.nsf/family/childsupport.htm>.

- 4.16 For sole parent families, children become more than twice as expensive to feed, clothe, transport and educate as they grow older. There is a sharp jump in costs between the ages of 13 to 15 and 16 to 17. Children in the youngest age group take up 6 to 7 per cent of their family's gross income, whereas this increases to 20 per cent (for high income families) to 39 per cent (for low income families) for children in the higher age groups.¹³
- 4.17 As might be expected, the extra costs for each additional child are less than those for the previous child. For example, a third child will cost their parents approximately one half to two-thirds of the cost of the first child:

12 Ministerial Taskforce on Child Support, *In the best interests of children – reforming the Child Support Scheme (2005)*, Commonwealth of Australia, viewed on 3 December 2006 at <http://www.facs.gov.au/internet/facsinternet.nsf/family/childsupport.htm>.

13 Ministerial Taskforce on Child Support, *In the best interests of children – reforming the Child Support Scheme (2005)*, Commonwealth of Australia, p 124, viewed on 3 December 2006 at <http://www.facs.gov.au/internet/facsinternet.nsf/family/childsupport.htm>.

Table 4.3 Estimated average marginal costs of children, couple family, (2005-06 dollars per week)

Level of income	Average income	Number of children				
		1	2	3	4	5
Low income	661	114	209	290	362	427
Middle income	1,330	179	317	428	522	605
High income	2,662	285	492	651	779	888
Average	1,473	188	331	446	543	627

Source: Ministerial Taskforce on Child Support, *In the Best Interests of Children – Reforming the Child Support Scheme (2005)*, Commonwealth of Australia, p 125, viewed on 3 December 2006 at <http://www.facs.gov.au/internet/facsinternet.nsf/family/childsupport.htm>.

4.18 Table 4.3 makes intuitive sense. Subsequent children can use toys, clothes and equipment that their older siblings used previously. As a matter of practicality, families may simply have less funds available to spend on additional children.¹⁴

4.19 In summary, the cost of raising children is considerable and is felt hardest by low income families. The Government's family tax reforms, however, have provided significant relief, especially to low income families. For example, for a child under 13, the maximum rate of Family Tax Benefit A is \$70.42 per week, plus the supplement at year's end of \$646.05.¹⁵ This compares against the expenditure by a low income, single parent family of \$77 per week to raise a child aged 0 to 4.

HECS debts

4.20 The issue of HECS debts was commonly raised in submissions. Currently, the minimum debt for a humanities student in a Commonwealth supported place who defers payments is \$5,000 per year of study. Degrees in a national priority area such as education and nursing cost \$4,000 per year and those in professions such as medicine and law cost over \$8,000 per year.¹⁶ A \$15,000 debt will be

14 Ministerial Taskforce on Child Support, *In the best interests of children – reforming the Child Support Scheme (2005)*, Commonwealth of Australia, p 125, viewed on 3 December 2006 at <http://www.facs.gov.au/internet/facsinternet.nsf/family/childsupport.htm>.

15 Centrelink, 'How much Family Tax Benefit Part A do I get?', viewed on 27 August 2006 at http://www.centrelink.gov.au/internet/internet.nsf/payments/pay_how_ftba.htm.

16 Department of Education, Science and Training, 'What you pay', viewed on 27 August 2006 at <http://www.goingtouni.gov.au/Main/FeesLoansAndScholarships/Undergraduate/CommonwealthSupportForYourPlaceAndHECS-HELP/WhatYouPay.htm#top>.

common to many graduates, which will be indexed to the consumer price index (CPI).

- 4.21 As the Queensland Government pointed out, HECS is an additional financial burden placed on young families and young women during the reproductive years.¹⁷ The Working Women's Centre of South Australia advised the committee that women generally prefer to organize themselves financially before taking on the commitment of having children:

Many women feel they cannot afford to start having children until they are debt free. Many women who have studied begin their working lives with a HECS debt which they feel puts them at a financial disadvantage. It is not uncommon for women to state that they wish to pay off their HECS debt before considering having children and are keen to do that as quickly as possible.¹⁸

- 4.22 The committee also received a number of personal stories about how young people were dealing with their HECS debt. For example, one father stated about his daughter:

Until she switched jobs recently she was on a salary of about \$50,000 which even she admits was pretty good for someone her age... She is in love, will marry later this year and openly professes to wanting children. The problem is, even after three years of fulltime work, she owes over twenty thousand dollars in HECS fees. She does not object to imposition of this charge. Whilst she maintained her payments via the tax system she has hardly made a dent in the balance because of the interest rates imposed [indexed to the CPI]. She, fair enough, wanted to be independent of us but has had to pay \$250 a week in rent, buy a car (\$4,500 taken over two years) and live... Three years of work and no waste money.¹⁹

- 4.23 The committee is concerned that working parents, especially women, take on a considerable burden by managing a HECS debt in addition to the other steps in starting a family, such as finding a partner and establishing themselves financially. The most common family structure today is a couple with one partner pursuing a career and the other partner working reduced hours to spend more time with the
-

17 Queensland Government, sub 128, p 23.

18 Working Women's Centre of South Australia, sub 74, p 2.

19 Hutchinson P, sub 18, p 1.

family. If this second partner holds a HECS debt, then this will continue to increase in line with the CPI when their ability to repay it has been compromised because they are building a family. The HECS system assumes that graduates will put their energies into earning an income, but for parents who are educated and have deferred their career for family reasons (mainly women), this is difficult to do.

- 4.24 Single parents are probably placed in worse position. They have much lower employment rates than married women and are less likely to be able to reduce their HECS debt while their children are young.
- 4.25 The National Union of Students has estimated that, '93% of men will have paid their HECS debt by age 65, but only 77% of women will'.²⁰
- 4.26 The Women's Action Alliance suggested to the committee that parents' HECS debts be frozen while they are out of the workforce caring for dependants.²¹ The committee sees value in a change along these lines. The only amendment the committee would make to the Alliance's recommendation is that an objective cut off period should apply instead of leaving it to the parent's discretion. The obvious candidate is when the family's youngest child reaches school age.

Recommendation 1

- 4.27 **The Department of Education, Science and Training arrange for the interest on HECS debts of second earners in couple families, and for single parents, to be frozen until their youngest child reaches school age.**
- 4.28 Approximately 30 per cent of women graduates born in the early 1960s were childless when they turned 40.²² This appears to be due to rates of partnering because, if educated women partner, their fertility rate is above 2.0. The problem is that many educated women are unable to partner in the first place. In the 2001 census, 48.3 per cent of

20 National Union of Students quoted in Dufty R, 'Increased institutional wealth at the cost of student futures, implications of increasing HECS fees at UNSW', p 6, viewed on 18 November 2006 at http://oldwww.pgb.unsw.edu.au/content/files_pdfs/Implications%20of%20Increasing%20Fees%20at%20UNSW3.doc.

21 Women's Action Alliance, sub 54, p 16.

22 Wolf A, 'Who's afraid of the closing gender gap,' *The Australian*, 6 May 2006, p 24.

women aged 25-29 with bachelors degrees or above were unpartnered, compared with 43.2 per cent of women with no post-school qualifications.²³ Later in the chapter, the committee will examine to what extent education causes people to delay partnering and reduce their fertility.

Housing costs

4.29 The increased cost of housing has received considerable media coverage recently and received some attention in submissions. The Women's Action Alliance, in discussing a report by the National Centre for Social and Economic Modelling, noted:

...in 1998 first home buyers paid an average of 30 per cent of disposable income on mortgage repayments but this had spiralled to 39 per cent in 2004. The study found all home borrowers paid an average of 27 per cent of disposable income on their mortgage repayments, compared with 26 per cent in 1996. The researchers had found that 883,000 families and singles were suffering housing stress. Those considered in housing stress spend more than 30 per cent of disposable income on housing and are in the bottom 40 per cent of income earners.²⁴

4.30 The price of housing has also increased over the long term. In evidence, the Australian Housing and Urban Research Institute advised the committee that, during the twentieth century, the long run historical average was that an average house cost six times the average income. This ratio is now up to nine times and would exceed that in cities such as Sydney.²⁵

4.31 Currently, the Australian Government offers a \$7,000 grant to first-time home buyers through the First Home Owner Grant Scheme. Many people using the grant would be young couples who are thinking of starting a family or who have already done so. Since the scheme's introduction in July 2000, the Australian Government has paid out \$6.2 billion to 828,000 applicants.²⁶ The eligibility criteria include:

23 Norton A, 'Student debt: A HECS on fertility?' *Issue Analysis* (2003), no 32, p 5.

24 Women's Action Alliance, sub 54, p 8.

25 Winter I, transcript, 10 April 2006, p 75.

26 Australian Government, Budget 2006-07, 'Delivering further tax reform', viewed on 3 December 2006 at http://www.budget.gov.au/2006-07/bp3/html/bp3_main-05.htm.

- Individuals over 18 years of age - a company or trust does not qualify;
- An applicant or applicant's spouse must not have received an earlier grant or previously owned a home in Australia before 1 July 2000;
- At least one applicant must be an Australian citizen or permanent resident;
- Joint applicants will be restricted to one application and only one payment will be made; and
- At least one applicant must live in the home as their primary place of residence for a continuous period of six months, within 12 months of settlement or construction.²⁷

4.32 The increased cost of housing is relevant because purchasing a house is now a precursor to starting a family. The Institute advised the committee:

The typical life course pattern these days is marriage or partnering, then entry to home ownership, then the birth of the first child. This is a change; for earlier generations, the first child was typically born before entry to home ownership. The key reason for this change is the need for two incomes to enter home ownership...

...the strongest aspiration for home ownership is found amongst those who intend to have children. Those who intend to have children are seven times more likely to aspire to home ownership. Indeed, the sociologist Lyn Richards comments that renting is one of the most effective forms of contraception that we know.²⁸

4.33 This increase in house prices has had an effect on the number of young people buying their first home. The Institute stated during evidence:

...in the decade 1986-1996 in metropolitan cities, there was a 10 percentage point decline in the rate of entry to home ownership amongst 25- to 44-year-olds.²⁹

4.34 Earlier this year, the *Daily Telegraph* conducted an online survey with the Housing Industry Association. Of the respondents, 63 per cent

27 Wizard, 'First Home Owner Grant Scheme', viewed on 3 December 2006 at <http://www.wizard.com.au/homeloans/task.aspx?id=49>.

28 Winter I, transcript, 10 April 2006, p 65.

29 Winter I, transcript, 10 April 2006, p 65.

reported that they had delayed starting a family because of increased house prices.³⁰

- 4.35 The Institute does not expect any particular relief for young couples seeking to buy a house in the future. The demand for housing will continue to grow because of the growth in single person households, partially driven by divorces.³¹

Child care

- 4.36 This issue was the most common subject among submissions and was well represented during public hearings.

- 4.37 Cost was especially important. One parent in Sydney advised the committee:

Most child care centres cost between \$75 and \$100 per child - one just opened in North Sydney charging \$110/day for under 2 year olds.

This means that a woman has to earn more than \$50,000 just to cover the cost of childcare. This is ridiculous...³²

- 4.38 Another stated:

The cost of childcare is also prohibitive. In our case we are lucky enough to attend a centre run by a NPO [non-profit organisation], charging us \$80 per day. This fee is payable even on public holidays when the centre is closed, in order to keep our place. We receive \$4.50 per day back under the current child care rebate scheme. Even though our family earns a relatively high salary, we are only able to afford three days per week at the centre and rely on grandparents to cover the extra two days.³³

- 4.39 The high cost of child care also affects employers. The Western Australia Police Service noted that its efforts to retain experienced police officers were restricted by factors outside its control, including the high cost of child care.³⁴ The owner of MotherInc, a small business, told the committee of her experience:

30 Saurine A, 'Families paying the price' *Daily Telegraph*, 9 March 2006, p 17.

31 Winter I, transcript, 10 April 2006, pp 75-76.

32 Ralston T, sub 51, p 1.

33 Hawker C and Kleiman A, sub 42, p 5.

34 Western Australia Police Service, sub 189, p 5.

One of my workers would like to work three days a week and I need her to, but she cannot get the child care. I do not want to lose her, but then do I go and get somebody for a day a week? Actually, what we are doing is working really hard and waiting until October when she has her third day...

...I do not want to lose her. I value her. We will just muddle our way through. The pressure is not just on her but also on the employer.³⁵

4.40 The recent rapid increases in child care costs have exacerbated this problem. Between June 2002 and June 2006, the CPI measure of child care costs rose from 136.0 to 226.5, an increase of 66.5 per cent over four years.³⁶

4.41 Access to child care was also important. Many parents expressed concern about long waiting lists and needing to put their children's names down at many centres. They also reported difficulty in being able to place two or more children at the one centre. One mother, who had two young children (one of whom had a food allergy), advised the committee:

I have had a real issue, and still do, with accessing formal child-care services on the northern beaches. It has taken our family over three years to access a reasonable level of long day-care positions – even then, I would classify only one of these two positions as being in any way suitable. You will note from the attachment to my written submission a record of 50 registered child-care centres and family day-care providers that I have kept regarding the availability of positions last year. For the last 18 months prior to this year, there were just no vacancies, despite being on the waiting list, and we were forced to rely primarily on my mother and friends in order to get by...

Finally, this year, we secured a position for both girls but not at the same centre. Instead, for the first two months we endured the geographical spread of more than 25 kilometres between their centres and had to drive two cars into the CBD

35 Keech C, transcript, 13 March 2006, p 44.

36 Australian Bureau of Statistics, *Consumer Price Index, Australia, Jun 2006* (2006), Cat No 6401.0, Tables 7A to 7L, 'CPI: Groups, sub-groups and expenditure class, weighted average of eight capital cities' viewed on 28 August 2006 at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6401.0Jun%202006?OpenDocument>.

to get to work. Thankfully, we now have found a centre for each child, approximately four kilometres apart, but you would have no idea of the impracticality that we face even with this on a daily basis. For instance, the additional burden of dropping a second child to a second centre before and after work each day adds a time lag of around 25 minutes each day, each way. That is around an hour a day out of our lives that is unnecessarily wasted because I cannot access one service provider for both children.³⁷

- 4.42 Many parents try to plan ahead and put their children's names down as early as possible, but this approach is often not enough:

I am a senior executive in a large global company in my mid 30s and am childless. The majority of staff in our organisation have children. Most of the staff had enrolled their unborn babies into child care when they found out they were pregnant and the child was placed onto a waiting list. Child care was to commence when they returned from maternity leave, some 18 - 20 months down the track (12 months maternity leave plus the duration of pregnancy). At this time there were still no vacancies for full time day care.³⁸

- 4.43 Child care providers also recognise this dilemma:

Waiting lists are at crisis points in many communities, such as the City of Port Phillip in Victoria which has 1,600 children on the centralised waiting list, making it virtually impossible for families in that geographical area to access child care. Women in many parts of Australia are aware that they will not be able to return to work after giving birth, even if they must do so out of financial necessity, as child care places are simply not available. Not-for-profit child care waiting lists have risen steadily over the last five years and waiting lists are so long in many areas of Australia that many women are placing their names on waiting lists prior to or in the early stages of pregnancy. Even then there are no guarantees of a place.³⁹

- 4.44 The cost of child care and access to this service is of major concern to parents. High quality child care is an investment in children. In the view of the committee, if parents believe that some form of child care
-

37 Watson K, transcript, 21 June 2006, p 2.

38 Huxtable T, sub 15, p 1.

39 Community Child Care, sub 142, p 4.

is good for their children and family, then they should be supported in this choice. Problems with child care will be further considered by the committee in chapters five and six.

Career disincentives to starting a family

Loss of career path

4.45 Parents' career path and their incomes are linked. The further one is able to pursue a career, the higher one's salary is likely to be. Given that women forego a significant proportion of their lifetime income by having a child, it would be reasonable to expect that a woman's career is also likely to suffer.

4.46 This was very much the tone of submissions:

For many working women their career peaks around 30 yrs of age. Careers become more demanding and there are tougher challenges out there for women to face. It is also at this time that women consider their biological clock as fertility starts to decline at this age...

There is also a reluctance to discuss the future with your work manager as the woman feels they need to put out a perception that they can cope with their career and the additional demands of having children.

When the woman does return to her career, she is expected to give the same commitment as she had done previously (prior to having children). This is not always possible due to the new child/ren commitments that she has. She then feels bad that she can't give 100% and normally opts for a demotion. She ends up feeling grateful for just having a job – from climbing the corporate ladder, she is left holding onto the first rung of the step ladder.⁴⁰

4.47 Just as going part time means that a person's salary plateaus, so does their career. As one professional woman stated:

My career has plateaued since having my children. However I was aware that this would occur as I chose to return to work in a part time capacity. I purposely chose to have my children

40 Ishlove M, sub 58, pp 1-2.

close together in age so that I could minimise the interruption to my clients. However I expected my career advancement to improve once I had returned to the workforce after my second child. That has not happened. I suspect it may not happen unless I return to work four days per week (in which case I will most likely be doing a five day job in four days).⁴¹

- 4.48 Professor Barbara Pocock's research has confirmed these findings about part time work. Part time work is less valued in Australia. As a society, we are yet to recognise its contribution. In one case study, Professor Pocock commented:

Vera has a deep sense of loss about making the decision to go part time to care more for her dependent older relatives and her two sons with disabilities. This sense of loss is not about income; it is about the lost opportunity to make a leadership contribution in her workplace – a loss not only to her, but also to her employer...⁴²

These workers have struggled to maintain their professional jobs, by adopting part time work. However, they struggle with their own internal sense of how this diminishes them as 'proper doctors' and 'proper lawyers', and their discounted status in the eyes of their colleagues.⁴³

- 4.49 Women also have difficulty negotiating within their relationships a chance to pursue a career. Katrina Flynn advised the committee in evidence that, although she was the major income earner in her family and her husband's business was struggling, she was taking time off work, despite their original plans:

That is funny because that is always what we said we would do. I think it is different once you have a child because you see that a woman's role is very important as a mother and babies do need their mother. In our situation because of my husband's business he has debt that he cannot walk away from. If we do have a second child, it will probably come down to that – he will have to give away his business and stay at home.⁴⁴

41 Women Lawyers' Association of New South Wales, sub 99, p 3.

42 Pocock B, *The work/life collision* (2003), The Federation Press, p 169.

43 Pocock B, *The work/life collision* (2003), The Federation Press, p 170.

44 Flynn K, transcript, 19 April 2005, pp 42, 45.

- 4.50 The Association of Professional Engineers, Scientists and Managers, Australia noted that, of their female membership, 69 per cent did not have children. By comparison, the current estimate for the Australian population generally is that 16 per cent of women are likely to remain childless.⁴⁵ The Association concluded:

The very high proportion of childless female professionals found in the [Association's] Surveys also reflects the reality that professional women with children are leaving the workforce or reducing their level of workforce participation due to family responsibilities and are therefore less likely to be Association members.⁴⁶

Reduced training and professional development

- 4.51 If women tend to lose their career path by having a child, then an unfortunate consequence of this is that they are also likely to lose training and development opportunities. A number of submissions advised the committee that full time work is a precondition to workplace learning.⁴⁷ In its submission, the Association of Professional Engineers, Scientists and Managers, Australia, stated:

Lack of access to part-time work in such professions has not been caused by any industrial or legal limitation, but by culture, custom and practice. This is also reflected in the predominance of professional development opportunities being based upon full time workplace participation.⁴⁸

- 4.52 As a matter of practicality, part time workers find it more difficult to access training and professional development because they often need to first respond to the immediate pressures of their work. The risk is that workplace training will be permanently set aside.⁴⁹

45 Kippen R, 'The rise of the older mother', *People and place* (2006), vol 14, p 1.

46 Association of Professional Engineers, Scientists and Managers, Australia, sub 101, pp 6-7.

47 Association of Professional Engineers, Scientists and Managers, Australia, sub 101, p 8.

48 Association of Professional Engineers, Scientists and Managers, Australia, sub 101, p 10.

49 Western Australia Police Service, sub 189, p 5.

Social disincentives to starting a family

Families devalued

4.53 A number of submissions argued that motherhood and parenting are no longer valued by the community.⁵⁰ In 2004, the Victorian Women's Trust conducted focus groups on women's perceptions of their roles. The Trust concluded, 'Mothering more often than not, without understanding and support from others, leads to a loss of self-esteem and confidence'.⁵¹ The themes emerging from the focus groups included:

- Women who are (full-time) mothers have a poor self-image
- Women who are (full-time) mothers feel isolated...
- Other women are the most critical of full-time mothers...
- There is nowhere to learn how to be a mother – we are expected to know...
- Children don't like to say their mother is 'just a full-time mother'. They don't mind telling their friends that their mother does community work, but they like their mothers to be around when they need attention.⁵²

4.54 Professor Peter McDonald asserts that there is a critical reproduction rate of 1.5 births per female and that if the fertility rate falls below this figure children themselves will no longer be valued. Professor McDonald has stated:

As you get more and more people who don't have children, society adjusts to that and it becomes more attractive not to have children. Having fewer children doesn't usually mean you treasure the children you have, it generally means the opposite. Germany, for instance, is emerging as a no-child preference country. German demographers are talking about 30 per cent or more of women not having a child and they say this is the result of a very child unfriendly society.⁵³

4.55 Germany is not alone in this development. Other countries also have low fertility rates. For example Japan, Spain and Italy have rates below 1.3 births per woman. This idea may appear to draw a long

50 O'Carroll G, sub 40, p 1 and Cook P, sub 163, p 14.

51 Victorian Women's Trust, sub 116, pp 2-3.

52 Victorian Women's Trust, sub 116, p 3.

53 Quoted in Macken D, *Oh no, we forgot to have children* (2005), Allen & Unwin, p 160.

bow, but commentators have argued that this attitude is emerging. Deidre Macken has written:

The ways in which societies become intolerant of children have not been explored much, if only because it appears to be such a new phenomenon. On a personal level, it's possible to see it when you take a pram and a toddler through a child-scarce society. Amble through an inner city suburb of DINKs and empty-nesters and see how easy it is to get in and out of shops, to find a bus in off-peak hours and then see how the cafe proprietor greets the family when the place is full of adults reading the paper.⁵⁴

- 4.56 One of the committee's concerns about such a development is that these societies are less likely to consider what legacy they will leave for the next generation. Professor Fiona Stanley advised the committee:

But the downside of people opting to not have children is that they therefore do not look to the future; they are not going to have grandchildren to worry about, and they might not want their taxes to be used – 'You've had the kids, you look after them,' kind of attitude.⁵⁵

- 4.57 The committee regards the development of such a social outlook as unhealthy. It betrays a lack of vigour and direction. As one American commentator recently stated:

...at some point [Australia] will have to confront these issues – not just the falling birth rate and aging population, but the underlying civilizational ennui of which the big lack of babies is merely the most obvious symptom.⁵⁶

Increased life risks

- 4.58 In his submission, Professor Peter McDonald advised the committee that one of the reasons that fertility rates have dropped over the past half a century is that individuals face more risks in their lives. The first wave of change was social and occurred in the 1960s and 1970s. Women's roles were much less constrained due to the availability of

54 Macken D, *Oh no, we forgot to have children* (2005), Allen & Unwin, p 163.

55 Stanley F, transcript, 30 June 2006, p 69.

56 Steyn M, 'Does western civilisation have a future?', CD Kemp Lecture, 17 August 2006, Institute of Public Affairs, p 4.

the contraceptive pill and no-fault divorce meant adults could not place as much reliance on the institution of marriage as previously.

4.59 The second wave of change was economic and occurred in the 1980s and 1990s. Tariffs were reduced, international capital flows increased, and labour markets were deregulated. Although this meant many jobs became more rewarding and challenging, the risk of dismissal increased. Employees are now less able to rely on other parties (their employers) and must accept more risk and responsibility themselves.⁵⁷

4.60 Dr Bob Birrell from Monash University advised the committee that the risk women face from divorce is very real. In particular, 'Sole parenthood in Australia is a pathway to a near poverty existence'.⁵⁸ He also compared today's environment with that faced by the post war generation:

You have to remember that back in the 1950s and 1960s, when young men and women partnered very early and had children very early, they were able to do that with a secure expectation on the part of the men that there was employment available to them literally for life. There was no real concern that they could be left hanging onto a mortgage without the income to finance it.⁵⁹

4.61 Professor McDonald summarised people's reactions to these changes as follows:

...both changes have led to a greatly heightened sense of risk particularly among young people starting out in life. They have witnessed the effects of relationship breakdown in the parental generation, the frustration of the ambitions of parents, the stress of the work-family balance under poor policy settings, and the loss of employment by the older generation and by their peers. While some people are risk takers, the majority of people are risk-averse. Most have been socialised to be prudent and to seek ways to hedge against risk. For both men and women, the most obvious way to hedge against personal and economic risk in today's society is to invest in one's own human capital rather than leaving

57 McDonald P, sub 134, pp 1-2.

58 Birrell R, transcript, 14 June 2006, p 23.

59 Birrell R, transcript, 14 June 2006, p 32.

oneself in a situation of dependency either upon parents, a partner, a union or the state. This is today's morality...⁶⁰

- 4.62 Another way of saying that individuals invest in their own human capital is that they spend more time in formal education and in collecting skills and experience on the job before commencing a family. This explains the positive correlation between women's participation in the workforce and fertility rates. This view was also supported by the Australian Institute of Family Studies.⁶¹
- 4.63 Professor McDonald argues that many of these changes, such as the increased education of women, have broad community support.⁶² The committee agrees with this assessment. However, it is important to recognise that 'the wheel has turned' and people in their twenties today face a more uncertain, if potentially more rewarding, future than their grandparents. Young adults face a new environment that legitimately affects their decisions to have children.⁶³

Gender roles

- 4.64 The committee received a number of submissions which argued that a disincentive to women to starting families was that they are still required to do most of the housework and caring tasks in families.⁶⁴ The committee received figure 4.3 from the Australian Bureau of Statistics that confirms this. It is reproduced on the next page.
- 4.65 In terms of time, men and women make the same contribution to their households. The difference between the two is that men spend the majority of their time at work, whereas women spend approximately half their time on domestic and shopping tasks. Women also spend more time on child care than they do in paid work. This data confirms the comments by the Australian Bureau of Statistics and Professor McDonald that the most common family arrangements today are that the husband works full time and the mother part time.⁶⁵

60 McDonald P, sub 134, p 2.

61 Gray M, transcript, 2 August 2005, p 47.

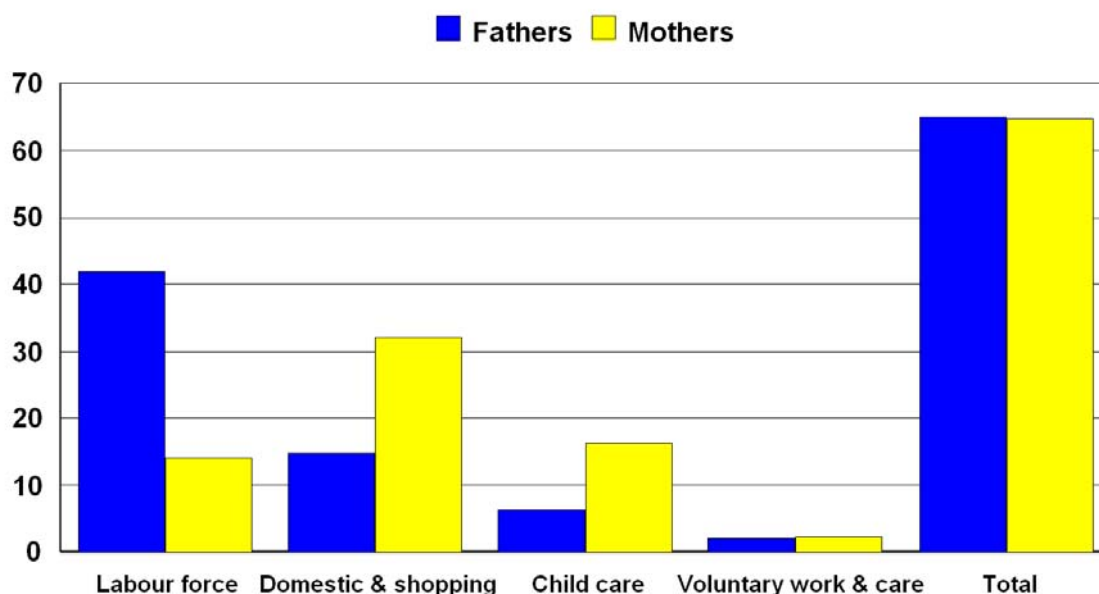
62 McDonald P, sub 134, p 3.

63 McDonald P, sub 134, p 3.

64 For example, Craig L, sub 50, p 2 and Australian Education Union, sub 121, p 4.

65 Posselt H, transcript, 14 June 2006, p 11 and McDonald P, transcript, 15 February 2006, p 12.

Figure 4.3 Time spent on paid and unpaid work, 1997, parents of children aged 0-14 years (hours per week)



Source: Australian Bureau of Statistics, sub 200, p 29.

4.66 As most women know, this work is very intense due to the high levels of multi-tasking involved.⁶⁶ Further, this division of roles places more risk on women as well. Peter McDonald has written:

...the movement to gender equity has been focused upon individual-oriented social institutions (education, employment) and, consequently, family-related institutions, especially the family itself, have continued to be characterized by gender inequity. By the time that women begin to consider family formation, their experience has been of considerable freedom and gender equality through education and wage employment. However, they are very aware that their freedoms and equality will be distinctly compromised once they have a baby. This is especially the case in labour markets where little or no provision is made for the combination of work and family. There is a considerable economic dimension to the gender argument, the mechanism being the lifetime earnings lost to women through having children.

In these circumstances, women exercise careful control over their own fertility, delay their family formation and have fewer children to an extent that fertility falls to very low

66 Craig L, sub 50, p 2.

levels. The central problem is that family formation involves greater risks for women than it does for men and that women will be wary about embarking upon marriage and childbearing if they do not feel confident about their future opportunity to combine family with the other opportunities that have opened up for women, especially work.⁶⁷

- 4.67 Despite this imbalance in gender roles, women remain committed to securing the best outcome for people around them, regardless of how it affects them:

Working mothers appear to try to avoid an unacceptable trade-off between time in paid work and time in care of their own children, by using non-parental childcare as much to reschedule their own care as to replace it. They do this by flexibly shifting and squeezing their own time in sleep, leisure and personal care around their responsibilities to market work and childcare. This implies that mothers are more willing to contemplate adverse outcomes to themselves than to their employers or to their children. Working fathers do not sacrifice their rest and recuperation time to the same extent as working mothers do.⁶⁸

- 4.68 Families, and in particular women, face considerable disincentives to starting families. The committee will next examine the factors that explain Australia's fertility rate and whether other countries face similar problems to Australia.

Explaining fertility rates

International comparisons

- 4.69 As discussed earlier, Australia's fertility rate has approximately halved from the end of the Baby Boom in 1961. Although many parties have expressed concern about this development, it may be useful to compare Australia's position with other developed countries. Professor Peter McDonald provided table 4.4 to the committee.

67 McDonald P, exhibit 34.2, pp 7-8.

68 Craig L, sub 50, p 5.

Table 4.4 Total fertility rates (TFR) (births per woman), selected countries, 2003

Group one countries	TFR	Group two countries	TFR
<i>English speaking</i>		<i>Romance</i>	
USA (2002)	2.01	France	1.89
Ireland	1.98	Portugal	1.44
New Zealand	1.96	Spain	1.29
Australia	1.75	Italy	1.29
UK	1.71	<i>Germanic</i>	
Canada (2002)	1.50	Switzerland	1.41
<i>Scandinavian</i>		Austria	1.39
Iceland	1.99	Germany	1.34
Norway	1.80	<i>Mediterranean</i>	
Denmark	1.76	Malta	1.41
Finland	1.76	Greece	1.27
Sweden	1.71	<i>East Asia</i>	
<i>Benelux</i>		China (2001)	1.4
Netherlands	1.75	Japan	1.29
Luxembourg	1.63	Singapore	1.26
Belgium	1.61	Republic of Korea	1.19
		Hong Kong SAR	0.94

Source: McDonald P, *exh 34.2, p 12.*

- 4.70 In demographic terms, the main feature of the table is that the group one countries all have fertility rates of 1.5 or more. The group two countries are all below 1.5, except for France. The importance of a fertility rate of 1.5 is that, below this level, a country will ultimately have very small numbers of children and productive adults compared with older persons needing support or care. Although 1.5 is below the replacement level of 2.1, immigration can potentially bridge the gap. All the countries with fertility rates below 1.5 are concerned about their future.⁶⁹
- 4.71 Why are these high fertility countries and low fertility countries almost entirely divided along cultural and language groups? Why is France an outlier? Professor McDonald stated:

I suggest the cultural divide is due to the way that family is regarded in these societies. The countries that have very low fertility rates are those that have a history of nonintervention of the state in family affairs. They have no culture or history of the state providing support to families. Their cultural view

69 McDonald P, transcript, 15 February 2006, pp 5-6.

is that the state should stay out of it – families can and should look after themselves. If you look at, for example, employment structure by industry, the countries that have very low fertility, Italy for example, have very underdeveloped service industries compared with the countries with high fertility – say, Australia. Those services are not there. Who is expected to provide those services, no matter what they are? Women. So it is not just looking after young children, all services in the society are expected to be provided by women.

The consequence is that a lot of women do not have children or they have just one child, as in Italy. They stop at one. The evidence is very strong that state support for families makes a difference, and the countries that have done it, such as France and the Nordic countries – they are the leading countries in family support – ...are at the top of the table on fertility rates.⁷⁰

4.72 There have been some recent studies that have assessed which programs are more likely to affect fertility. Professor Francis Castles from the University of Edinburgh compared the fertility rates in OECD countries with various family friendly policies. The results are listed in table 4.5.

Table 4.5 Relationship between government policies and total fertility rates, 21 OECD countries, 1998

Government policy	Correlation
Formal child care for 0-3 years (public and private)	.73**
Formal child care, 3 years to school age (public and private)	.37
Publicly funded child care, 0-3 years ^a	.44
Publicly funded child care, 3-6 years ^a	-.52*
Duration of maternity leave (weeks)	-.07
Maternity leave replacement rate (per cent average wages)	-.44
Total leave following birth of child (weeks)	-.32
Percentage of GDP on family cash benefits	.35
Family cash benefits per capita	.18
Percentage of GDP on family services expenditure	.07
Family service expenditure per capita	-.01
Percentage of employees working flex-time ^a	.50*
Percentage of women voluntarily working part time	.01

70 McDonald P, transcript, 15 February 2006, p 6.

Source: Castles F, 'Three facts about fertility' (2002), *Family Matters No 63*, p 26. ** = significant at 0.01 level and * = significant at 0.05 level. ^a = 18 cases only.

- 4.73 The two factors that appear to support fertility the most are formal child care for children aged zero to three and the proportion of employees working flex-time. Although not statistically significant, a number of other factors appear to help, namely formal child care for children over three, publicly funded child care for children aged zero to three, and the percentage of GDP spent on family cash benefits.
- 4.74 In this study, maternity leave does not positively correlate with increased fertility. Professor Castles suggests that some governments have used maternity leave as a means to encourage women to leave the workforce to have children.
- 4.75 These results are reflected in other research. In 2003, the OECD published a review of the many pieces of literature in this area. They concluded:
- family cash benefits have small positive effects in most countries;
 - tax policies such as tax offsets for low income earners with children have positive effects in the United States and Canada;
 - part time and flex-time work have a positive effect;
 - maternity leave has a weak or contradictory effect; and
 - child care has a positive effect, although weak in some countries.⁷¹
- 4.76 One conclusion from this evidence is that the Australian Government's policies, with a focus on financial support to families and the child care sector, are most likely effective in helping couples start and grow their families. For some, it may well make the difference in having an extra child. The committee, therefore, supports the general principle of the Government's family assistance programs.

Factors in fertility decisions in Australia

- 4.77 In its report on fertility decision making, the Australian Institute of Family Studies asked people what factors were important to them in

⁷¹ Sleebos J, *Low fertility rates in OECD countries: Facts and policy responses* (2003), OECD Social, Employment and Migration working papers, no 15, p 45, viewed on 21 September 2006 at <http://www.oecd.org/dataoecd/13/38/16587241.pdf>.

deciding whether to have a child. The factors examined in the study are on the next page.

- 4.78 The most commonly important factor to both men and women is that they feel they must be able to support a child financially. The next most important factors are that each partner would make a good parent. The Institute suggested that these related 'to the overall ability to provide support for the child, either financially or in terms of quality of parenting'.⁷²
- 4.79 Over half the submissions to the inquiry dealt with child care. The importance of this issue was reflected in the Institute's survey as it came eighth on the table.

Table 4.6 Proportion and ranking of factors considered important in having children, by gender

	Men	Women	Men	Women
	%	%	Rank	Rank
Afford support child	65	67	1	1
Female partner makes a good parent	65	58	1	3
Male partner makes a good parent	63	60	3	2
Male partner's job security	53	57	5	4
Female partner's age	49	56	6	5
Having someone to love	57	46	4	7
Uncertain that relationship will last	47	47	7	6
Finding good affordable child care	40	46	11	7
Male partner's age	42	42	9	9
Add purpose/meaning to life	45	39	8	11
Male partner established in job/career	41	37	10	13
Giving child(ren) a brother/sister	40	37	11	13
Female partner's job security	34	38	14	12
Time/energy for male partner's career	30	40	17	10
Female partner established in job/career	29	37	19	13
Ability to buy/renovate/move home	32	30	15	17
Child would make partner happier	37	23	13	23
Child would be good for relationship	32	27	15	19
Suitable world for children	30	29	17	18
Stress & worry of raising child	24	34	22	16
Time for leisure & social activities	27	24	20	21
Time/energy for female partner's career	26	24	21	21
Too much stress on relationship	22	26	24	20

72 Weston R et al, "It's not for lack of wanting kids" (2004), Australian Institute of Family Studies, p 126.

Ability to make major purchases	22	22	24	24
Other children would miss out	19	22	26	24
Have at least one/another boy	23	12	23	28
Have at least one/another girl	18	16	27	26
Child difficult to raise	11	15	28	27

Source: Weston R et al, "It's not for lack of wanting kids" (2004), Australian Institute of Family Studies, p 126. Factors ordered by the total percentage of men and women who regarded a factor as important.

Age and delays in partnering

- 4.80 In table 4.6, the female partner's age was viewed as the fifth most important factor in deciding whether to have a child. The male partner's age was ninth.
- 4.81 The median age of first-time mothers giving birth has increased from 26.0 in 1984 to 30.4 in 2004. Over the same period, the median age of first time fathers increased from 28.4 to 32.4.⁷³
- 4.82 The Institute elaborated why this was the case, in particular the importance of when people marry:
- Delays in achieving those milestones that precede having children, most particularly delays in marrying, are clearly important factors affecting the fall in the fertility rate. Despite the rise in ex-nuptial births, most women wait until they are married before they have their first child... and women giving birth when at least 30 years old are increasingly likely to be first-time mothers...
- Inextricably linked with these trends is the rise in cohabitation, coupled with an increasing tendency for such relationships to end in separation, and a divorce rate which is high relative to the rates apparent for most years in the 1980s. Partly as a result of these trends, the overall partnership rates across all ages have fallen. Such trends not only limit the total childbearing years of women, but also increase the risks of childlessness.⁷⁴
- 4.83 Dr Bob Birrell from Monash University advised the committee that the drop in partnering levels is acute in groups with lower levels of education:

73 Australian Bureau of Statistics, *Births, Australia, 2004* (2005), Cat No 3301.0, p 16.

74 Australian Institute of Family Studies, sub 76, p 8.

Our empirical work shows that there has been a serious decline in partnering levels, particularly married partnering levels. When we look at the socioeconomic characteristics of men and women we find that this decline in partnering has been particularly precipitous amongst women who do not have post-school education. That is of great significance because they are the ones who, in per capita terms anyway, have the most children...

Whether the arresting of the decline in partnering helps explain why the total fertility rate has plateaued is a difficult question. But I would regard that as part of the explanation. I believe this is very strong in the case of men and women who do not possess postschool credentials. Their propensity to partner is very closely associated with the state of the job market. You can see the correlations are very, very strong for men aged 30 to 34 or 35 to 39. The higher the level of income, the more secure the occupation, the higher the level of partnering and marriage.⁷⁵

- 4.84 Dr Birrell's comments are confirmed by the data. The survey of Housing, Income and Labour Dynamics in Australia provided the following table:

Table 4.7 Marital status of men by age and income quartile, 2003 (%)

Income quartile	Percentage married by age group				
	25-29	30-39	40-49	50-59	Total (15+)
1 (lowest 25%)	15.4*	34.2	70.4	70.8	37.0
2	19.3*	35.7	41.0	59.6	43.3
3	23.0	49.3	67.3	72.3	50.3
4 (highest 25%)	38.1	68.4	74.4	84.5	70.0
Total	27.2	57.3	68.9	76.2	53.4

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 34. *Estimate not reliable.

- 4.85 Men in the lowest income quartile for the key ages for having and raising children have half the marriage rates of men in the highest income quartile. Incomes are strongly related to education levels. Men with lower qualifications and education, therefore, are less likely to achieve their ideal family size.

75 Birrell R, transcript, 14 June 2006, p 24.

- 4.86 Dr Birrell also confirmed the importance of timely marriage, which very often leads to people having a child:

We have paid some attention to the marriage factor ... because the empirical evidence indicates that by the time women get to age 35 to 39, if they are living in a married partnership, they almost always have a child under 15. It is almost universal; our figures show 87 per cent in 2001. When you take into account some women who are infertile or whose partner is infertile, this is a very high rate indeed. It has not changed since 1986 when we were first able to cut up the data to accurately compare.⁷⁶

- 4.87 The Centre for Women's Studies and Gender Research at Monash University provided some corroborating evidence for this. In the Centre's fertility research, they found that approximately 50 per cent of all first-born children are the result of accidental pregnancies. Women, however, are much more discerning about additional pregnancies.⁷⁷

- 4.88 There are a number of dimensions to the decline and delay in partnering. Many life milestones have been set back, including leaving the parental home. The Australian Housing and Urban Research Institute told the committee in evidence:

If you look at the data on the age at which people first leave the parental home, it has not changed a great deal in the past 50 years, but the age at which children finally leave the parental home has increased, because there is a pattern now of returns to the parental home after first leaving which did not used to be there...people are delaying their leaving the parental home, staying longer in education and delaying partnering and marriage...⁷⁸

- 4.89 This is confirmed by data from the Australian Bureau of Statistics. The Bureau has reported that, in 1976, 20.7 per cent of people aged 20-29 were living with their parents. This had increased to 29.9 per cent in 2001.⁷⁹

76 Birrell R, transcript, 14 June 2006, p 24.

77 Centre for Women's Studies and Gender Research, sub 79, p 4 and Maher J, transcript, 10 April 2006, p 56.

78 Winter I, transcript, 10 April 2006, p 68.

79 Australian Bureau of Statistics, *Australian Social Trends 2005* (2005), Cat No 4102.0, p 19.

4.90 Why are young adults delaying these key life stages? Professor McDonald's view that individuals are hedging their risks by spending more time on their education and career appears to be supported by the work of the Australian Institute of Family Studies:

- 'male partner's job security' was rated fourth;
- 'male partner established in job/career' was rated 11th;
- 'female partner's job security' was rated 13th; and
- 'female partner established in job/career' was rated 15th.

4.91 Another argument put to the committee by a number of people is that a rise in consumerism and instant gratification distracts people from the goal and the realities of starting a family.⁸⁰ For example:

Consumerism, exacerbated by sharp marketing strategies, has led to young couples not wanting to make the necessary sacrifices, nor forgo any comfort, in order to have a family. Many people think that they must 'have everything' before launching into child-rearing.⁸¹

4.92 There was mixed support for this view in the Institute's results. 'Ability to buy/renovate/move home' featured in the middle of the table, but 'ability to make major purchases' was near the bottom.

4.93 Dr Leslie Cannold has suggested how the need to be financially secure plays out within relationships. She notes that women focus more on the risk of being childless, whereas men focus on financial and relationship risks:

Recent research for the European Commission found that approximately one-third of couples disagree about whether or not to have a child (or, if they already have one, about whether or not to have another). Women, either driven by their own internal goals regarding motherhood or their ticking biological clocks, are nearly always the ones to initiate discussions about children and to continue to press the issue as the relationship progresses. Men, on the other hand, are nearly always the ones putting up obstacles. While many are vaguely in favour of becoming fathers, they decide that 'one

80 Morgan B, sub 3, p 3 and Australian Baha'i Community, sub 60, p 2.

81 Australian Family Association (NSW), sub 181, p 4.

day' is 'now' only when the relationship is firmly established and travelling well and they feel economically secure.⁸²

- 4.94 Again, the support for this theory was mixed. The Institute's research suggests that women are more concerned about their age than men in planning a child. Men also scored more highly than women for the factor 'having someone to love'. However, men and women provided very similar scores for the factors 'afford support child' and 'uncertain that relationship will last'.
- 4.95 Another reason why young adults may be partnering and starting a family at a later age is that they are unaware of exactly how age will affect their fertility. A small-sample survey of women aged 35-55 conducted by the Family Planning Association in 2002 produced the following estimates by these women of the chances of a pregnancy for the following cases:
- a 62 per cent chance per year for a 40 to 44 year old woman with regular menses;
 - a 40 per cent chance per year for a 45 to 49 year old woman with irregular menses; and
 - an 18 per cent chance per year for a post-menopausal woman aged over 50.
- 4.96 These results significantly over estimate the likely chances of pregnancy. For example, it is biologically impossible for a post-menopausal woman to have a child. The survey also included some general practitioners, who made the following over-estimates:
- a 34 per cent chance per year for a 45 to 49 year old woman with irregular menses;
 - a 14 per cent chance per year for a 45 to 49 year old woman who had reached menopause; and
 - a 25 per cent chance per year for a 50 year old woman with irregular menses.⁸³
- 4.97 Although these results are in one sense alarming, Sydney IVF advised the committee that such perceptions are not unreasonable, given there is no outward indication that fertility is dropping:

82 Cannold D, exh 50, p 184.

83 Sydney IVF, sub 83, p 4.

That will not be revealed by regular ovulation. A woman's cycle will appear to be completely normal. The hormone levels look fine. They often pride themselves on their fitness, their ability to juggle work, life and other issues, but none of this, sadly, helps them in their quest to achieve pregnancy, because of the declining genetic and metabolic function of the eggs.⁸⁴

- 4.98 There has been recent discussion in the media about the effects of age on fertility and there has been some suggestion that women are now more aware of this. However, Sydney IVF argued in evidence that the level of awareness needs to be improved:

It has been getting better in the 12 years that I have been in private practice. There is an increasing knowledge out there, and also amongst their referring GPs. Sometimes it has failed to be recognised even at that level. I think that people are fast-tracking referral to a fertility specialist, in both their presentation to the original doctor and the referral itself, more than they were a decade ago, but there is still a message to be had out there.⁸⁵

- 4.99 This evidence suggests that there may be a role for a government information campaign about individuals' biological clocks. There is a general misconception among young adults about how age affects their fertility. This may be a factor in families not having the number of children they would like. Two out of every three Australian families are having one less child than they prefer.⁸⁶
- 4.100 The alternative view is that the timing of the decision to start a family or have another child is a very personal one. Many people would agree that governments should not be telling people how to run their lives. The committee accepts the view that the best time for a couple to start a family is when they feel ready.
- 4.101 On balance, the committee is of the view that this general misconception in the community about individuals' biological clocks should be addressed. Many people are compromising their enjoyment of the intimacy of family life due to late partnering and to some extent

84 Bowman M, transcript, 3 February 2006, p 42.

85 Bowman M, transcript, 3 February 2006, pp 46-47.

86 The gap between the average number of preferred children (2.5) and the current total fertility rate (1.8) is 0.7 (see paragraph 4.1). On average, each family is having two third of a child less than they prefer, or two out of three families are having one less child than they prefer.

this appears to be related to a lack of knowledge of the effects of age on fertility. The committee strongly believes that men should also be targeted in such a campaign. Firstly, their fertility appears to decline with age. Secondly, women welcome the support and encouragement of their husbands and partners in planning and starting a family.

Recommendation 2

- 4.102 **The Department of Families, Community Services and Indigenous Affairs fund a public information campaign, aimed at both men and women, on the effects of age and late partnering on fertility.**

Partnering in the future

- 4.103 It is clear that men and women's expectations about their partners are changing. As discussed earlier, there are now significantly more women than men graduating with post school qualifications, reversing the position of 50 years ago. Similarly, more girls than boys complete Year 12.⁸⁷
- 4.104 There is some statistical evidence that, in the past, women have preferred to marry men of a higher educational status and that men have preferred the reverse. For people aged in their 40s in the 1996 census, the education rates for men were higher than for women. However, there were 17,000 more unpartnered women with bachelors degrees or above than men with the same qualifications. Of all partnered women with bachelors degrees or above in this census, 50.2 per cent had partnered with a man with these qualifications as well. Only 17.7 per cent had partnered with someone with no formal qualifications.⁸⁸
- 4.105 If these educational preferences for partnering do exist, then they do not reflect the statistical reality. If women remain more reluctant to 'marry down' than men, and men remain more reluctant to 'marry up' than women, then there will not be enough partners to go around.

87 Australian Bureau of Statistics, *Australian Social Trends 2006*, 'Boys' schooling', Cat No 4102.0, viewed on 18 November 2006 at <http://www.abs.gov.au/ausstats/abs@.nsf/7d12b0f6763c78caca257061001cc588/e29750ff86d9e72cca2571b00014b9e3!OpenDocument>.

88 Norton A, 'Student debt: A HECS on fertility?' *Issue analysis* (2003), issue no 32, p 5.

- 4.106 This raises the question of whether men and women will adapt to these new circumstances. Dr Birrell was optimistic:

That will increasingly occur, I think, as women adjust to this situation and – let us say – marry down. That is an intelligent adaptation. There are a lot of associate professional men and tradesmen who would make good husbands.⁸⁹

Quality of the relationship

- 4.107 As noted earlier, the Australian Institute of Family Studies' report on fertility making decisions found that couples regarded the quality of their relationship as very important. In particular, 'having someone to love' was ranked sixth out of 28 on the list of important factors and 'uncertain that the relationship will last' was ranked seventh. The Institute advised the committee:

In short, the ability to establish a secure and rewarding relationship is an important prerequisite for having children. Strategies that strengthen relationships are clearly important for enabling people to have the children they want. These include not only interpersonal skills education and counselling, but also strategies that help people avoid or overcome those pressures that threaten relationships, such as financial and parenting pressures.⁹⁰

- 4.108 These comments raise the issues of divorce, separation and the quality of our relationships. The lifetime divorce probability for an Australian has increased from 10 per cent in the 1960s to 40 per cent today.⁹¹ On the other hand, married couples today report high satisfaction rates. In Australia, 'approximately 85 per cent to 90 per cent of currently married people report high to very high relationship satisfaction'.⁹²

- 4.109 Stable and satisfying marriages are important to families and society for a number of reasons. In particular, they promote:

- men and women's physical and mental health;
- men and women's longevity;

89 Birrell R, transcript, 14 June 2006, pp 27-28.

90 Australian Institute of Family Studies, sub 76, p 9.

91 Wolcott I and Hughes J, *Towards understanding the reasons for divorce* (1999), Australian Institute of Family Studies, working paper no 20, pp 1-2.

92 Halford W et al, 'Best practice in couple relationship education', *Journal of marital and family therapy* (2003), vol 29, p 386.

- couples' material wealth; and
- better outcomes for children.⁹³

4.110 Given these universally important benefits of marriage, why have divorce rates increased? Many of the social changes over the last 50 years such as the effect of contraception, the increased education of women and government financial support for sole parenting have reduced the necessity of marriage. Couples do not need to become husband and wife in order to survive. Rather, marriage is now often seen as something that improves one's quality of life. In its working paper on divorce, the Australian Institute of Family Studies stated:

In such a society, individuals are not necessarily dependent on a traditional marriage or family structure to survive or to pursue productive lives. Nye and Berardo argue that in an affluent society where men and women can earn higher incomes, or a welfare safety net can provide for the minimum needs of children and other family members: 'This type of society provides an alternative to unsatisfactory marriages.' Within the community, an ideological emphasis on personal growth, individual rights and choice may thus conflict with an ethos of responsibility, compromise and commitment.

Contemporary expectations of marriage place a high value on meeting the somewhat ambiguous desires for mutuality, intimacy, happiness and self-fulfilment, a more daunting task, perhaps, than fulfilling the more modest and rigidly defined expectations associated with traditional 'breadwinner husband' and 'homemaker wife' roles.

Such expectations, whether realistic or not, can be severely tested over the course of married life when couples are confronted with the reality of caring for children or elderly parents, managing work demands, paying bills and doing mundane household tasks.⁹⁴

4.111 These changes have been examined and debated by our political leaders. In 1998, the House of Representatives Standing Committee on Legal and Constitutional Affairs released its report, *To have and to hold: Strategies to strengthen marriage and relationships*. This committee found

93 Wolcott I and Hughes J, *Towards understanding the reasons for divorce* (1999), Australian Institute of Family Studies, working paper no 20, p 1.

94 Wolcott I and Hughes J, *Towards understanding the reasons for divorce* (1999), Australian Institute of Family Studies, working paper no 20, p 2.

that the direct costs to Australia of divorce and marriage breakdown were \$3 billion annually, but Commonwealth Government support for preventive strategies and parenting skills was less than \$6 million annually.⁹⁵

4.112 The Government has since expanded the Family Relationships Services Program from approximately \$28 million in 1996-97 to approximately \$80 million in 2005-06.⁹⁶ The program includes a wide range of counselling and mediation services, including pre-marriage education, family relationships skills training, family relationships mediation and children's contact services.

4.113 Relationships Australia gave the committee an overview of pre-marriage education and how it can help couples:

What I would say is that people really enjoy the process because it taps them into things that they may not even have considered, even though some people have been together for some years and have been living together for some years before they do that. Some of the questions or statements to which they have to respond, 'agree with', 'disagree with' or 'undecided', are still quite challenging and new for them to be hit with. My experience is that all of the couples I have seen have found it a really positive tool...⁹⁷

So people go in with their eyes wide open. It gives them a chance to ask some of the hard questions: are we going to have children? When are we going to have them? What happens when we do? Will there be a breadwinner? How will we look after our finances? Where will we live? Near your parents or near mine? What is your family of origin? It gives a chance to work through some of those issues.⁹⁸

4.114 One advantage of counselling and education at this stage of a relationship is that it appears to be more effective than when conducted later. As one academic discussion recently noted:

Helping couples to develop skills and knowledge that enhance relationships seems to be most effective when

95 House of Representatives Standing Committee on Legal and Constitutional Affairs, *To have and to hold: Strategies to strengthen marriage and relationships* (1998), Commonwealth of Australia, p xiv.

96 Turnbull M, 'Connections WJ Craig Lecture', viewed on 10 September 2006 at <http://www.malcolmturnbull.com.au/news/article.aspx?ID=351>.

97 Hamilton J, transcript, 29 May 2006, p 7.

98 Mertin-Ryan M, transcript, 29 May 2006, p 9.

offered to couples early in their relationship, when they are satisfied in that relationship. Skill-based relationship education for marrying couples consistently produces large effects in enhancing couple relationship skills and reducing risk for future relationship problems. However, similar programs provided to couples once they have been together for 7 or 8 years may be less effective. The effect size of skill-based relationship education in enhancing couple relationships is, on average, larger than the effect size of skill-based couple therapy with distressed couples.⁹⁹

- 4.115 Current attendance rates at pre-marriage education appear to be moderate. In an Australian mail out survey conducted from 1999 to 2001, 29 per cent of respondents had attended pre-marriage education.¹⁰⁰ However, Relationships Australia did not support making pre-marriage counselling mandatory. Rather, they suggested that it would be more appropriate if it could be viewed culturally as normal, or as a good thing to do.¹⁰¹ The committee agrees with this approach.
- 4.116 Relationship education in Australia is largely aimed at couples about to marry using standard-design courses, typically in a face to face format. Although there are many advantages in this approach, Australian researchers have identified some areas for improvement.¹⁰² For example, there are a range of other occasions during a relationship when education may be helpful, such as before the birth of the first child. A 'relationship checkup' regularly during a relationship may also assist, so as to detect emerging difficulties before negative behaviours become entrenched.
- 4.117 Chapter one demonstrated that working longer hours, if not properly managed, can increase stress related to balancing work and family (see tables 1.1 and 1.2). This stress has a negative impact on relationships. The Tasmanian Government stated:

Certainly, it has been argued that creating a family-friendly culture within and without the workplace would help to

99 Markman H, Halford W, 'International perspectives on couple relationship education' *Family process* (2005), vol 44, p 142.

100 Halford W et al, 'Do couples at high risk of relationship problems attend premarriage education?', *Journal of family psychology* (2006), vol 20, p 161.

101 Hamilton J, transcript, 29 May 2006, p 9.

102 Halford W, Simons M, 'Couple relationship education in Australia', *Family process* (2005), vol 44, pp 152-56.

ameliorate the problem of increasing relationship breakdown.¹⁰³

- 4.118 Relationships Australia advised the committee that these work and family effects eventually flow on to children:

The imbalance between work and family commitment affects family relationships and the wellbeing of children. From our experience and anecdotal research competing commitments at home and in the workplace are significant factors in increased stress and conflict in families and in marriage and relationship breakdown. It is well known that conflict in families has a detrimental impact on children.¹⁰⁴

- 4.119 In the view of the committee, couples will benefit through developing the skills to communicate and work their way through problems, such as stress at work and its effect on home. Although much of this report is aimed at reducing work and family stress, some work and family problems are unavoidable. Strengthening relationships at different life stages and before stresses become too much to handle will help couples manage their work and family responsibilities.

103 Tasmanian Government, sub 129, p 4.

104 Relationships Australia, sub 59, p 2.

Recommendation 3

4.120 **The Department of Families, Community Services and Indigenous Affairs and the Attorney General's Department establish the following additions to the relationship education components of the Family Relationships Services Program:**

- **programs to be offered at different stages of relationships; and**
- **a multimedia campaign to highlight the availability of these courses and the benefits of attending and completing them.**

Recent changes to Australia's fertility rate

4.121 As discussed earlier, there has been a recent increase in Australia's fertility rate. Births in 2005 were 2.4 per cent higher than those in 2004. The committee received a number of different explanations for this increase. Professor Peter McDonald stated:

In the first full three months in which the maternity payment could have an impact on births, the number of births was 10 per cent above the equivalent quarter in the preceding year. Ten per cent is a fairly sizeable jump. I think, and I have always argued that, that kind of payment was a good approach. There has also been discussion in Australia about the fact that, if you want to have children, you should not wait too long. There is enormous public discussion about that, and I think that has its impact as well.¹⁰⁵

4.122 Dr Birrell thought there may be other factors at work:

I think the upturn in births that we have seen in the last couple of years mainly reflects the increase in the number of young women aged 30 to 34, because that is the peak period of childbirth now. Also, we can see there is a bit of catch-up going on. Women who have delayed previously and who are now into their early and late 30s are having kids, so those two factors help to explain it.¹⁰⁶

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

106 Birrell R, transcript, 14 June 2006, p 31.

- 4.123 The Australian Institute of Family Studies drew on both explanations in providing their advice to the committee:

It would be a package of factors, and that may be one of the contributing factors – media attention, the attention of policy makers about having children, the discussions in the media about people who are sorry now they have left it too late or have changed their minds and now it is too late to have children. There has certainly been on the radio quite a bit of talking about reasons people are not having children, lost opportunities and so forth. So, yes, all of this attention, including the baby bonus and other factors, are likely to have influenced people's decisions about having children. Whether it is about people who are just bringing forward the child that they intended to have, we do not know yet.¹⁰⁷

- 4.124 A recent paper by Dr Rebecca Kippen at the Australian National University has analysed the latest fertility data. It shows that large numbers of women are delaying starting a family until their 30s. Projections of childlessness made in the 1990s, that one quarter of women will be childless, have now been revised down to 16 per cent. If there has been a large, one-off delay by Australian women in starting families, then this may also explain why the fertility rate has started to increase.¹⁰⁸

107 Weston R, transcript, 2 August 2005, p 44.

108 Kippen R, 'The rise of the older mother', *People and place* (2006), vol 14, pp 1-11.

