

Parliament of Australia  
House of Representatives  
Standing Committee on Family & Human Services

Inquiry into Balancing Work and Family

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Substantive Issue of Submission: : making it easier for parents who so wish to return to the paid workforce.

1. The first imperative is to engage in clarification of terms. 'Parents' in the context of return to work is almost universally associated with 'mothers'. The labour force participation of fathers with dependent children is very high (find source) and the potential for an expansion of the workforce via this means is limited. Second, the reference to 'paid workforce' will be taken to mean a return to paid employment. In specifying the target as paid employment, we can identify three groups of mothers as potential candidates for re-entry to the workforce. These are the unemployed (technically already included in the labour force), the marginally attached to the labour force and those not in the labour force. For purposes of exposition the unemployed will be combined with the marginally attached to form the extended unemployed or that group of mothers who satisfied the standard labour force tests of actively seeking employment and being available to start work in the reference week plus those who wanted to work and were either actively seeking work but not able to start in the reference week or not actively looking but available to start within four weeks. Third, the phrase 'wish to return' implies that the candidates have been employed in the past and now wish to resume employment. There are many reasons that might induce exit from employment for parents including study options, travel and care of elderly relatives but the focus of this submission will be on parents who have withdrawn due to child raising responsibilities. Finally, 'making it easier' must be seen in the wider context of adjustments on both the demand and supply side of the labour market. 'Making it easier' requires identification of the obstacles or barriers to participation so that policy initiatives can address the issues.

2. This submission focuses on mothers who satisfy two characteristics. First, we select mothers who are categorised as extended unemployed as they have expressed a desire to work and might reasonably be viewed as the easiest target group to move into employment. Second, we select mothers who have at least one preschool child at home and therefore the availability of child care is likely to be an obstacle to participation. Using the Household, Income and Labour Dynamics in Australia (HILDA) survey (wave 1, 2001), it is possible to identify a group of women with at least one preschool child present who satisfy the criteria of extended unemployed and compare this group to an equivalent employed group (Lee, 2005). This data source is superior to others as it allows concentration on the maternal employment and child care characteristics of women with young children, as opposed to say, the Australian Bureau of Statistics *Child Care Survey* where the focus is on child care per se.

3. The employment to population ratio for women in the study sample was 47.3 per cent and the extended unemployed to population ratio was a further 23.9 per cent. By

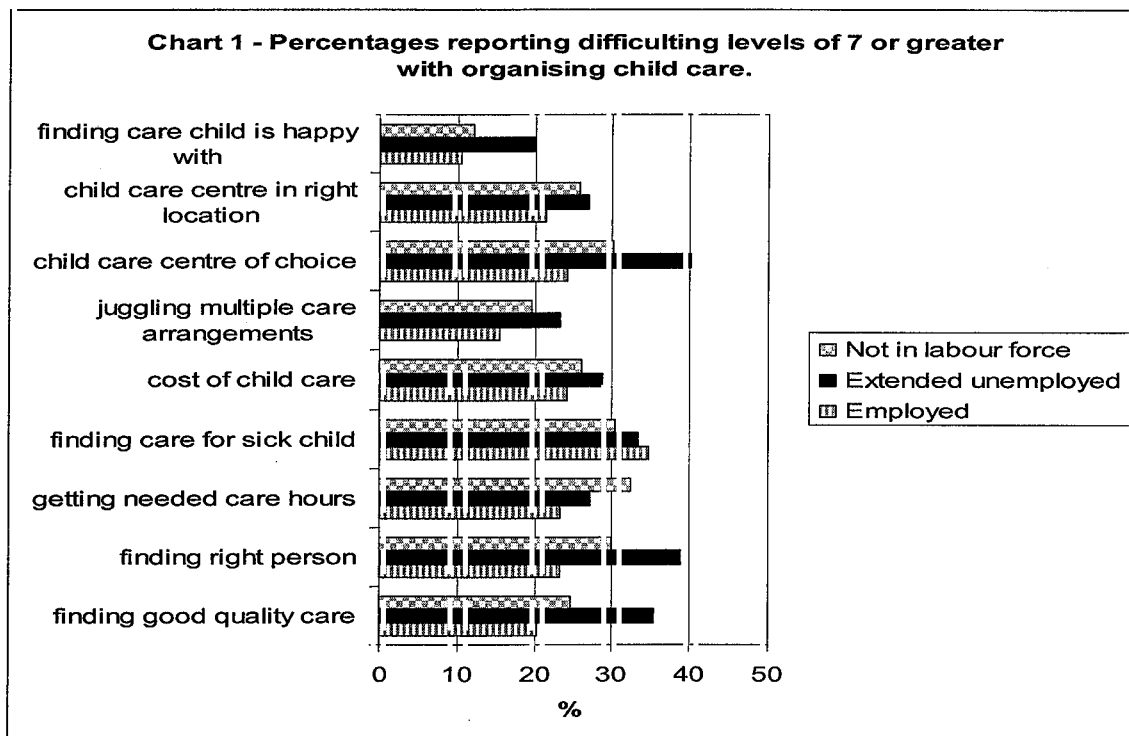
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contrast, the employment to population ratio for all women in September 2001 was 60 per cent (ABS, 6220.0) and the extended unemployed to population ratio was 12.3 per cent (the equivalent figures in September 2004 are 61.4 per cent and 11.8 per cent). This comparison indicates that women with preschool aged children were almost twice as likely as all women to want to work but face constraints to participation. Indeed, amongst the extended unemployed women in September 2001 (6220.0), 62.3 per cent nominated child care as a reason for not looking for work. The Australian Bureau of Statistics data does not allow researchers to tease out the sorts of difficulties women were experiencing with the organisation of child care but the HILDA data does provide some insight, though even for this sample only 82.4 per cent of the employed women and 48.1 per cent of the extended unemployed responded to the questions on difficulties with child care.

4. It is found (see Appendix A) that relative to their employed peers, extended unemployed women are significantly younger, less well educated, have a younger aged child, hold to more traditional attitudes about the mothering role, are more likely to live in disadvantaged areas, are more likely to be widowed, divorced, separated or never married, are more likely to be non-native English speakers and are less likely to have had their own mother working when they were aged 14 years.

5. Policies aimed at 'making it easier' for this group to find employment must acknowledge both their average stage of family formation and the characteristics that place them at an employment disadvantage. These women are at an early stage in family formation being younger themselves and having younger children. They are also more likely to be lone parents. Thus, as we shall see, child care issues will be an important constraint for this group. Further, the extended unemployed are at an employment disadvantage in that they are, on average, less educated, are not native English speakers and are resident in areas that are disadvantaged. *Policy responses need to pay attention to training/retraining schemes that have child care built into them. Further, the data allude to another potential problem in that location of residence, location of employment opportunities and location of child care facilities may be such as to necessitate significant journey to work/child care time and costs.*

6. Women in the extended unemployed category are significantly more likely to report difficulties with child care arrangements for employment purposes than their employed peers. Difficulties finding good quality care, finding the right person, accessing a centre of choice and children being happy with care all rate as being significantly higher at the mean than for employed women. Both groups of women report relatively high mean scores for difficulties with cost of care and finding care for sick children (see Appendix B). Further, an examination of the proportion of women in each category that report a difficulty level of 7 or greater (where 10 is maximum difficulty) in organising child care (Chart 1) reveals that 40 per cent of extended unemployed women cite difficulty with obtaining centre of choice and over 30 per cent list finding the right person, finding quality care and finding care for a sick child as issues. Over a quarter also nominate cost of care, getting hours needed and finding child care in right location as concerns. Thus availability of care (as in 'right person' and 'good quality') and location of care (as in 'centre of choice' and 'centre in right location') alongside meshing care hours with work hours ('getting hours needed') are priorities for planning and policy initiatives.

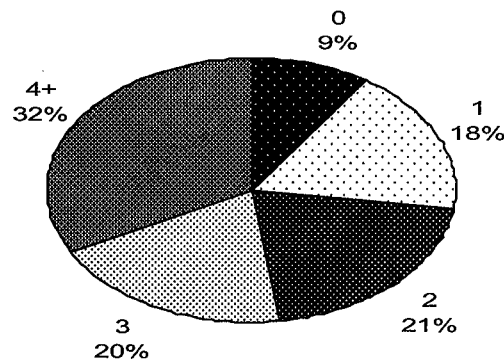


Source: HILDA, wave 1, 2001.

7. To investigate the issue of availability of care, we now turn to the child care patterns of employed women with one preschooler at home. HILDA does not supply any information on the child care usage of women who are not employed nor on the preferences of these women for different types of care, hence the restriction to employed women. Further, HILDA reports total child care used for all preschoolers in the family so where multiple preschool children are present, it is impossible to assign care to individual children. Focusing on women with only one preschooler ensures that the care used is particular to that child exclusively (this restriction is akin to identifying women whose youngest child is of preschool age, again a group that is more likely to consider re-entry to the workforce). For want of an alternative, the actual child care usage of employed women will be used to inform the sort of arrangements necessary to 'make it easier' for the extended unemployed to enter employment. This is clearly a second best comparator since the characteristics of employed and extended unemployed women differ and employed women have been able to overcome the barrier to participation that accessing child care represents.

8. Chart 2 makes it clear that employment participation is sensitive to the age of the child. Only 9 per cent of employed women in the sample have a child under 1 year old. This doubles to 18 per cent for a child under 2 years old and rises thereafter. In addition, 70.7 per cent of these women were working part-time. It is often the case that women exit the labour force for a period after childbirth and then have a preference to return to work part-time, so policies that promote attachment to the labour force, such as paid and unpaid maternity leave, and the right to return to work part-time, are important if ease of re-entry is to be assured.

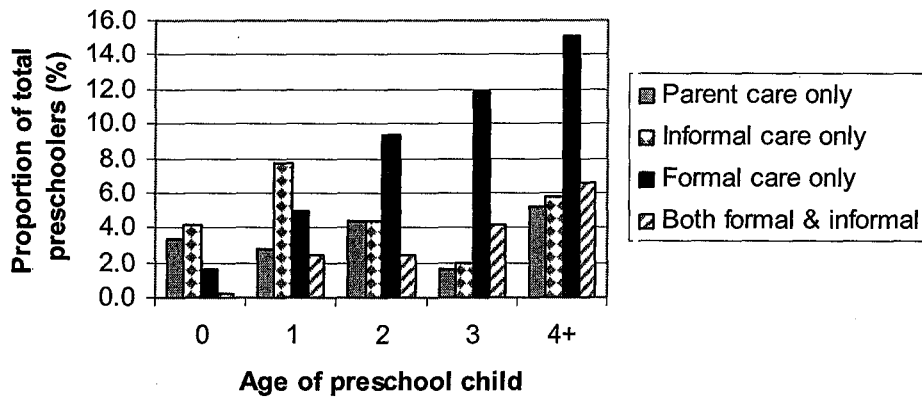
**Chart 2 - Employed mothers with one preschool child by age of that child**



Source: HILDA, wave 1, 2001.

9. Chart 3 demonstrates the sizable differences between care types by age of the child. This is achieved by separating the child care arrangements into one of four mutually exclusive categories. 'Parent only care' means that the parents have been able to co-ordinate their respective work hours in such a way that one parent is always available to care for the preschooler. The work arrangements that facilitate this outcome would include shift work and being able to work from home. 'Informal care only' refers to care provided by other family members, friends, neighbours or paid baby sitters/nannies. 'Formal care only' includes family day care, long day care and preschools/kindergartens. Finally, some families use 'both formal and informal care' (for example, preschools and care by another relative). Chart 3 indicates that of the 9 per cent of employed mothers with babies, 4 per cent use 'informal care only' while the mother is at work, with the next most important care category being 'parent care only'. Recall that for the extended unemployed there is a greater probability of lone parenthood thus closing off the potential for this avenue of care. Employed women with a one year old child rely heavily on 'informal care only' – most frequently provided by another relative not living with the family. This pattern reflects, amongst other things, the difficulty of finding a formal care place for any child under the age of 2 years. However, reliance on familial care, most probably from a grandparent, introduces an element of chance into the employment prospects for the mother, as the grandparent must be both able and willing to provide child minding on a regular basis. Further, efforts to lift participation of women across the age spectrum may have adverse consequences for the availability of this form of child care arrangement. On top of all this, qualitative studies bear out the problems that child care can pose for women wishing to re-enter the workforce. The employee "...has had his name in for a year and she still hasn't got him in and she's back full time. And her mother ... is going to look after him for that one day she has been trying to get into for a year" (management staff in female dominated regional manufacturer – contact author for more details). 'Formal care only' emerges as a sizable care option from age 2 years, jumping from above 9 per cent to almost 12 per cent by age 3 years and then to 15 per cent by ages of 4 years or more.

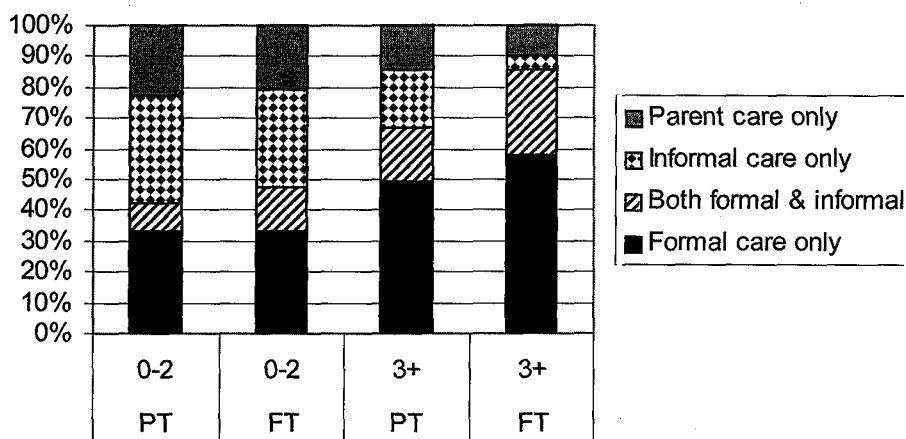
**Chart 3 - Type of child care used by employed mothers with one preschool child**



Source: HILDA, wave 1, 2001.

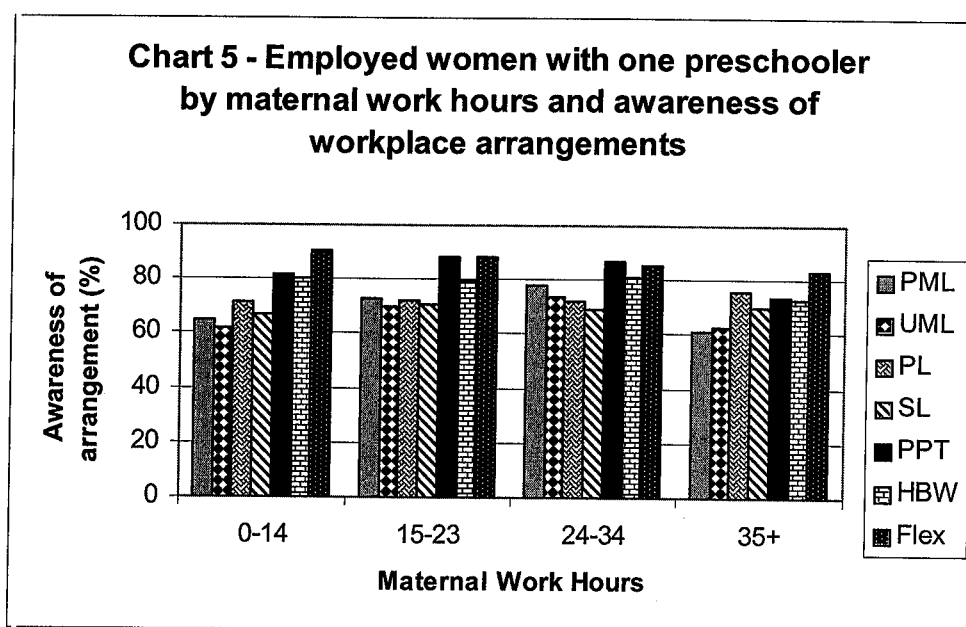
10. The relationship between age of the child, type of care and maternal work hours is summarised in Chart 4. For the sample of women in question, it appears that ‘formal care only’ accounts for roughly the same proportion of care arrangements for children under 3 irrespective of maternal work hours. However women working full time are more likely to also utilise combinations of ‘both formal and informal care’ than their part-time counterparts. On the other hand, for preschool children aged 3 years or older the differences in child care arrangements are more marked. Women working part time use ‘formal care only’ for 50 per cent of their care needs compared to almost 60 per cent for women working full-time. Combinations of ‘formal care only’ and ‘both formal and informal care’ account for less than 70 per cent of care arrangements for women employed part time compared to 85 per cent for women employed full time.

**Chart 4 - Employed women by maternal work hours, age of preschooler & type of care**



Source: HILDA, wave 1, 2001

11. *In addition to the provision of affordable and accessible child care, the adoption of certain workplace practices facilitates ease of re-entry to employment.* There are three issues here, namely awareness of workplace provisions, availability of provisions and uptake of the provisions. The study sample from HILDA addresses the first two of these issues. HILDA presented a list of seven conditions and entitlements sometimes provided by employers and asked respondents to nominate ‘...whether you would be able to use [each] if you needed to in your current job’. The seven workplace provisions were paid maternity leave, unpaid maternity leave, parental leave, special leave for caring for family members, permanent part-time work, home-based work and flexible start and finish times.



Workplace arrangements are paid maternity leave (PML), unpaid maternity leave (UML), parental leave (PL), special leave for caring for family members (SL), permanent part-time work (PPT), home-based work (HBW) and flexible start and finish times (Flex). Awareness defined as those who answered either ‘yes’ or ‘no’ to the item and excludes non-respondents, not applicable, don’t know, refused/not stated etc.

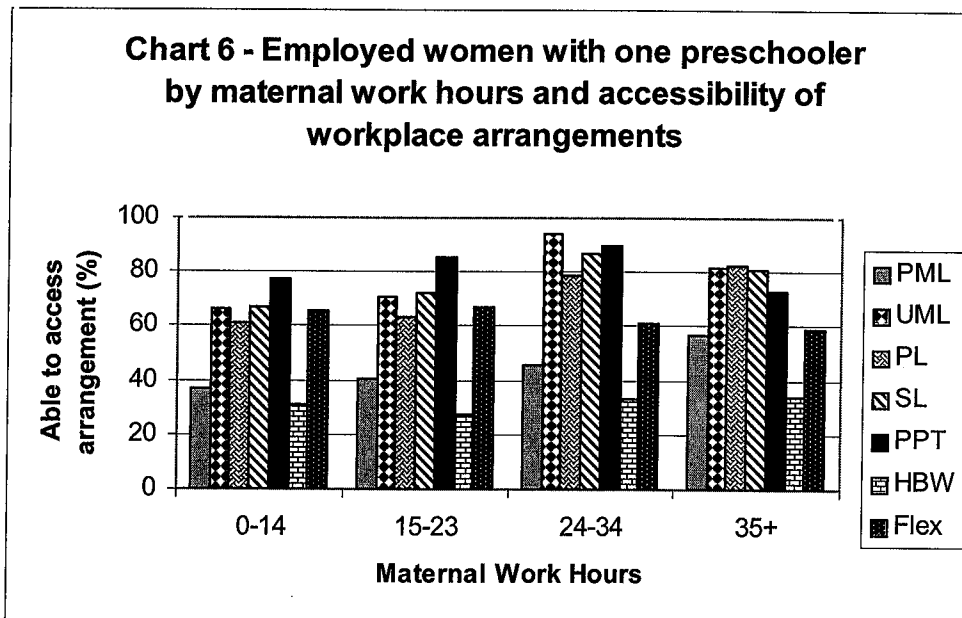
Source: HILDA, wave 1, 2001

12. Chart 5 identifies awareness of possible workplace arrangements as the proportion of respondents who knew whether or not they could access the provisions – that is as the proportion that answered either ‘Yes’ or ‘No’. Thus it is evident from Chart 5 that, irrespective of work hours, employed women are aware of whether or not they are able to exercise flexible start and finish times and women working part time hours (less than 35 hours per week) claim strong awareness of ability to access permanent part time work. On the other hand, *awareness of entitlement to unpaid maternity leave (a statutory provision) is surprisingly low across all groups, as is awareness of accessibility of paid maternity leave and special leave to care for a family member.*

13. Chart 6 expresses the affirmative responses as a percentage of all the positive and negative responses. Unpaid maternity leave again stands out with thirty four per cent of women working less than 14 hours claiming that they would not be able to access unpaid maternity leave if the need arose. Indeed only women working 24-34 hours get close to reflecting knowledge that this is supposedly a universal provision. In terms of facilitating re-entry to paid employment addressing this knowledge gap

deserves priority. *Access to paid maternity leave is not widespread and is more likely to be offered to women employed full-time than to any other group, though the differences between the groups were not significant. Home based work is accessible to less than a third of all employed women.* Recall that such a provision would notionally enable a mother to combine parental care only with employment and facilitate re-entry, especially where the child is less than 2 years of age. Women working 0-14 hours generally having least access to all provisions, an observation that is consistent with this group having the highest proportion of casual workers. Four of the provisions, unpaid maternity leave, parental leave, special leave and permanent part-time work, register a significant correlation with the hour groups. Access to unpaid maternity leave, parental leave and special leave is more evident for women working in excess of 24 hours, while permanent part-time work rates more highly for women working 15-34 hours. Flexible start and finish times appear to be less available to women working longer hours but this difference is not significant.

14. *Policy makers concerned with 'easier return to employment' could promote greater awareness of entitlement to parental leave and greater accessibility of special leave to care for a family member to women working less than 24 hours a week. There is also room for considerable improvement in the availability of flexible start and finish times for all these groups of employees.*



Workplace arrangements are paid maternity leave (PML), unpaid maternity leave (UML), parental leave (PL), special leave for caring for family members (SL), permanent part-time work (PPT), home-based work (HBW) and flexible start and finish times (Flex).

Access determined as affirmative answers as a percentage of total 'yes' and 'no' responses.

Source: HILDA, wave 1, 2001

## Conclusions

*This submission supports the following policy initiatives to assist the target group of extended unemployed women with a preschool child to re-enter the paid workforce:*

1. *extension of programs aimed at offering this group of women access to training and retraining schemes with embedded child care facilities provided;*

2. *planning incentives to influence the number of child care places on offer in less well resourced locations;*
3. *improved incentives for the provision of places in formal child care for children aged less than two;*
4. *promotion of employee entitlement to return to part time work after maternity leave;*
5. *information campaign to lift awareness of employee entitlements to unpaid maternity leave;*
6. *advocate extension of paid maternity leave;*
7. *promote greater access to special leave to care for a (sick) family member and flexible start and finish times.*

## References

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## Appendix A

Characteristics of women with resident children not yet at school, unweighted observations, HILDA Wave 1, 2001

Characteristic	Employed women N= 522	Extended Unemployed women N= 264		Women not in the labour force N= 318	
<b>Comparison of Means<sup>a</sup></b>					
Maternal Age	33.07	29.83	***	31.86	**
Highest Education achieved (excluding undetermined) <sup>b</sup>	2.18	2.86	***	2.60	***
Age of youngest child	2.29	1.71	***	1.33	***
Number of preschool children	1.25	1.31		1.42	***
Number of children at school (up to and including age 14)	0.73	0.79		0.81	
Hours per typical week in household errands, housework and outdoor tasks <sup>c</sup> ~	29.65	34.89	**	37.94	***
Hours in typical week interacting with children <sup>d</sup> ~	33.64	37.39		40.92	***
Traditional attitudes to working mothers <sup>e</sup> ~	3.73	4.24	***	4.37	***
SEIFA 96 decile of index of relative socio-economic disadvantage	6.03	5.19	***	5.50	**
SEIFA 96 decile of index of economic resources	5.46	4.94	*	5.25	
SEIFA 96 decile of index of education & occupation	6.26	5.29	***	5.69	**
<b>Comparison across groups (%)</b>					
<b>Employment of own mother when aged 14 years~ # #</b>					
Yes	59.9	52.2		47.9	
No	38.5	44.3		51.4	
Mother deceased/Don't know	1.5	3.5		0.6	
<b>Marital status # # #</b>					
Married and de facto relationships	90.2	72.7		86.8	
Widowed, divorced, separated & never married	9.8	27.3		13.2	
<b>% Non-native English language speakers #</b>	9.4	14.4		15.7	
<b>Used/thought about using childcare # # #</b>	82.4	48.1		23.9	
<b>Urban environment</b>					
Major city	55.6	54.2		56.9	
Inner regional	31.8	32.2		27.4	
Outer regional	11.9	12.5		12.6	
Remote	0.8	1.1		3.1	

a \*\*\*, \*\* and \* indicates a statistically significant difference at  $p < 0.001$ ,  $p < 0.01$  and  $p < 0.05$ , respectively from the reference group of employed women.

b Highest education received is recorded in 5 categories: university trained; certificate or diploma; completed Year 12; completed Year 11 or less; and undetermined.

c Combined responses from three questions to elicit hours in a typical week spent on domestic chores but excluding child care tasks.

d Hours per typical week spent playing with children, helping them with personal care, teaching, coaching or actively supervising them, or getting them to child care, school and other activities.

e Index based on responses to 4 questions to gauge strength of traditional attitudes to maternal role i.e. 'Many working mothers seem to care more about being successful at work than meeting the needs of their children'; 'Whatever career a woman may have, her most important role in life is still that of being a mother'; 'Mothers who don't need money shouldn't work'; and 'It is much better for everyone involved if the man earns the money and the woman takes care of the home and children'. Scored on 0 to 7 scale where 7 is strongly agree; alpha reliability = 0.56.

~ Percentages based on responses that exclude respondents who did not answer, didn't know etc.

### chi-square significant at  $p < 0.001$ ; ## significant at  $p < 0.01$ ; # significant at  $p < 0.05$

## Appendix B

Difficulty with organising child care, women with resident children not yet at school, HILDA Wave 1, 2001 (unweighted observations)

How much a problem/difficulty in the last 12 months was...

Characteristic <sup>a</sup>	Employed women N= 430	Extended Unemploy women N= 127		Women not in the labour force N= 76	
Comparison of Means <sup>b</sup>					
finding good quality childcare <sup>c</sup>	2.70	3.88	**	3.20	
finding right person to take care of my child	2.93	4.21	**	3.37	
getting care for the hours needed	3.08	3.59		3.92	
finding care for sick child	4.16	3.85		3.61	
cost of child care	3.86	4.05		3.81	
juggling multiple child care arrangements	2.69	2.56		2.67	
child care centre of choice	3.01	4.14	*	3.52	
child care centre in right location	2.61	3.06		3.21	
finding care my child is happy with	1.92	2.77	*	2.32	

a HILDA does not distinguish between difficulties in connection with child care for preschoolers and child care for school aged children. To the extent that some of these women also have school aged children, their responses cannot solely be attributed to the presence of the preschooler.

b \*\*\*, \*\* and \* indicates a statistically significant difference at  $p < 0.001$ ,  $p < 0.01$  and  $p < 0.05$ , respectively from the reference group of employed women.

c HILDA identifies two other sources of difficulty that are omitted here. These are 'finding vacation care', omitted because it has more application to school aged children, and 'finding care for a difficult/special needs child', omitted due to small number of responses and extreme values.