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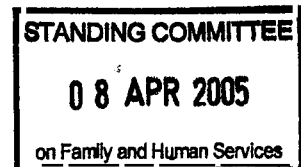
**Australian Government**

**Department of Employment and  
Workplace Relations**

**HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON  
FAMILY AND HUMAN SERVICES**

**INQUIRY INTO BALANCING  
WORK AND FAMILY**

**Submission by the Department of Employment and  
Workplace Relations**



**8 APRIL 2005**

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## **A. Overview**

1. The Australian Government, through the Department of Employment and Workplace Relations (DEWR), aims to maximise the ability of unemployed Australians to find work and to create the conditions to foster strong employment growth and higher productivity workplaces in Australia.
2. DEWR works to develop and implement Australian Government policies and programmes that support agreement making at the individual workplace, higher productivity and increasing real wages. In particular, DEWR develops policies and manages programmes that support:
  - efficient and effective labour market assistance;
  - higher productivity, higher pay workplaces; and
  - increased workforce participation.
3. In accordance with DEWR's portfolio responsibilities, this submission will focus mainly on the second term of reference for the Committee's inquiry into balancing work and family: making it easier for parents who so wish to return to the paid workforce. The submission also provides information on income tests for Parenting Payment recipients that the Committee might find useful when addressing the third term of reference: the impact of taxation and other matters on families in the choices they make in balancing work and family life.
4. The submission presents information about workforce participation by parents and outlines a range of DEWR programmes and initiatives designed to support and assist workforce participation by parents and to help parents balance their work and family responsibilities.

## **B. Parents and paid work**

5. The labour force experience of mothers and fathers in Australia differs markedly. For men, being a father of young children is associated with increased employment rates and hours spent in paid work.<sup>1</sup> Women with young children, on the other hand, are less likely to be employed than women without children. There are also substantial differences between the labour force participation rates of single and partnered mothers. Partnered mothers are far more likely to be employed than single mothers, particularly while their children are under 15 years of age.
6. Use of leave arrangements also differs between mothers and fathers. At the time of the birth of a child, women generally take long periods of paid and unpaid parental leave, while men take short periods of paid leave, such as annual leave. Very few men use unpaid parental leave.
7. Employees of both genders with caring responsibilities value flexible working arrangements such as part-time work, flexible start and finish times, flex-time and carer's leave. These types of flexible working arrangements also have significant utility for working parents and carers beyond the first year of having a child. Many mothers choose to work part-time in order to ease the transition back into paid work after spending time out of the workforce, or because it suits their particular family needs. Single mothers are slightly more likely than partnered mothers to work part-time, except when their children are very young.

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<sup>1</sup> Data from the Child Support Agency on the earnings of non-resident parents suggest this may not be the case for separated fathers.

8. Disparate patterns of workforce participation among parents highlight the variety of choices that Australian families make in regard to their employment levels and emphasise the need for flexibility in conditions to help parents return to the workforce and assist them in balancing work and family when they are employed. It is unlikely that a single policy or 'one size fits all' approach will suit every parent. Instead, providing a range of employment options and arrangements is vital in assisting parents to balance paid work and unpaid caring responsibilities.
9. Flexible working arrangements play a major role in providing employees with options to balance their work and family needs over the life course. While parental leave is useful around the time of the birth or adoption of a child, other flexible working arrangements can be more valuable on a longer-term basis. Arrangements such as part-time work, hours flexibility and work from home can provide flexibility to employees with a wide range of family needs, including elder care responsibilities.

### **Workforce participation by parents**

10. Around 95 per cent of men and 63 per cent of women with children under 15 years are in the labour force.<sup>2</sup> Figure 1 shows that men aged between 25 and 44 years with children are more likely to participate in the labour force than men without children, while women are less likely to participate if they have children under 15 years.

**Figure 1 - Labour force participation rates of persons aged 25 to 44 years, 2005**

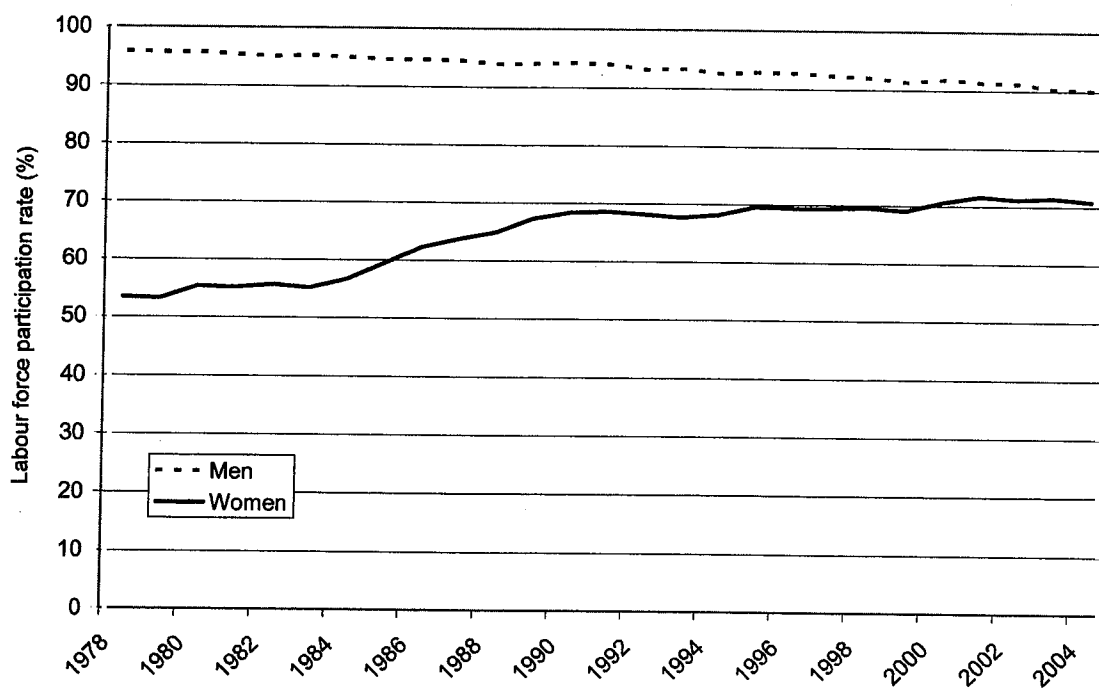
	Men	Women
Persons with children under 15 years	94.8	63.2
Persons without children under 15 years	88.0	86.9

Source: ABS, *Labour Force, detailed data release*, cat. no. 6291.0.55.001, datacube FM2, February 2005.

<sup>2</sup> Persons with children under 15 years refers to those who have a parent-child relationship with at least one dependent child aged under 15 years usually resident in the household. Persons without children under 15 years might be parents of children aged under 15 years but who usually live in another household.

11. Labour force participation among people of prime child-bearing and child-rearing age has increased steadily since the late 1970s. Labour force participation rates for people aged between 25 and 44 years increased from 75 per cent in 1978 to 80 per cent in 2004 (no long term data are available on the labour force participation of parents specifically).
12. This reflects the steady increase in women's participation rates, but masks a slow decline in men's rates. Figure 2 shows that labour force participation by women aged between 25 and 44 years increased from 53 per cent in 1978 to 71 per cent in 2004. Over the same period, men's participation rates dropped from 96 per cent to 90 per cent.

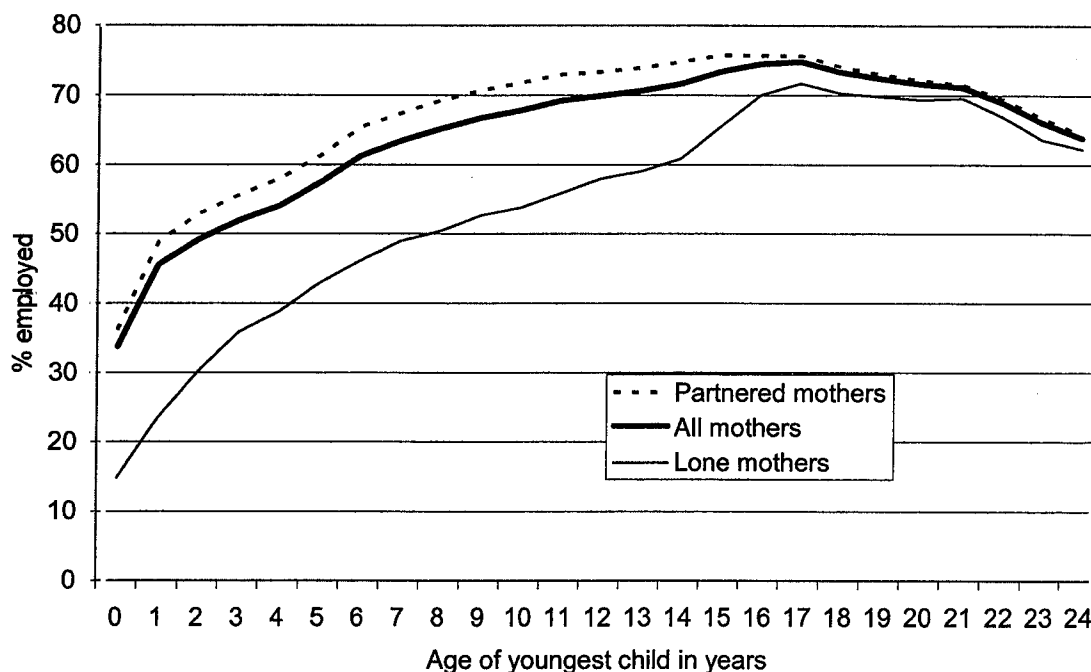
**Figure 2 - Labour force participation rate for persons aged 25-44 years, 1978-2004**



Source: ABS, *Labour Force, detailed data release*, cat. no. 6291.0.55.001, datacube LM8. Data are for August each year.

13. Women's labour force participation is far more sensitive to the presence of children than men's. Mothers' employment rates increase dramatically as children age. One third of mothers are employed when their youngest child is aged under one year, while more than half are working by the time their youngest child reaches primary school age and 70 per cent by the time their youngest child reaches secondary school age.<sup>3</sup>
14. Figure 3 shows that partnered mothers are much more likely to be employed than single mothers while their children are aged under 15 years. For mothers with children aged under one year, 36 per cent of partnered mothers are employed compared with 15 per cent of single mothers. Around 70 per cent of partnered mothers whose youngest child is aged 8 years are employed, compared with half of single mothers with children aged 8 years. The employment rates of partnered and single mothers converge as their children approach their late teens.

Figure 3 - Employment rate of single and partnered mothers by age of youngest child, 2001



Source: ABS, 2001 Census of Population and Housing, unpublished data.

<sup>3</sup> ABS, 2001 Census of Population and Housing, unpublished data.

15. The vast majority of parents who are not in the labour force are women. Women comprise 87 per cent of persons with children under 15 years who are not in the labour force.<sup>4</sup>
16. Many parents who are currently not in the labour force choose not to look for a job. Among people who are not in the labour force and list their main activity as home duties or child care, 51 per cent of men and 67 per cent of women do not want a job.<sup>5</sup>
17. However, the likelihood of these people wanting work increases as their children grow older. Figure 4 shows that 62 per cent of women with children under 2 years who are not in the labour force do not want a job, compared with less than half of those with children aged between 10 and 14 years.

**Figure 4 - Women who are not in the labour force and main activity is home duties/child care by age of youngest resident own child, 2003**

Age of youngest child	Would you like to have a job (%)		
	Yes	Maybe/it depends	No
0-1 years	32.8	3.5*	61.6
2-4 years	36.5	3.7*	59.2
5-9 years	40.7	4.8*	54.0
10-14 years	40.5	12.2*	47.3

Source: HILDA Wave 3. Estimates are weighted to reflect the Australian population.

\* indicates that relative standard error of estimates is between 25 and 50 per cent and should be treated with some caution.

### **Flexible working arrangements and leave**

18. The use of leave and flexible working arrangements is common among employees with caring responsibilities. Around 42 per cent of women and 31 per cent of men in Queensland in 2002 who were carers and also employees said that they had used work arrangements in the last six months to help care for another person.<sup>6</sup>

<sup>4</sup> ABS, *Labour Force, detailed data release*, cat. no. 6291.0.55.001, datacube FM1, February 2005.

<sup>5</sup> HILDA, Wave 3, unpublished data.

<sup>6</sup> ABS, *Managing paid employment and unpaid caring responsibilities, Queensland*, cat. no. 4903.3, October 2002.



19. The most commonly used work arrangements were paid leave (46 per cent), flexitime, rostered days off or time in lieu (39 per cent), informal arrangements with employer (27 per cent), temporarily reducing hours of work (16 per cent), working from home (16 per cent) and unpaid leave (16 per cent).<sup>7</sup> Similar results were found in an earlier survey in NSW.<sup>8</sup>
20. Australia-wide, over half of all employees with children under 12 years have some control over their start and finish times. Around 40 per cent of men and 32 per cent of women with children under 12 years have start and finish times that are not fixed, with an additional 15 per cent of men and 26 per cent of women able to negotiate their start and finish times with their employer. Around 44 per cent of employees with children under 12 years are able to work extra hours in order to take time off, while 25 per cent of men and 10 per cent of women with children under 12 years are entitled to rostered days off.<sup>9</sup>
21. Around 60 per cent of employees with children under 15 years have access to paid or unpaid carer's leave to care for a sick or injured family member, and 19 per cent of men and 16 per cent of women with children under 15 years are able to access home-based work.<sup>10</sup>
22. Unmet demand for working arrangements to manage caring responsibilities is relatively low. Around 11 per cent of male employees and 16 per cent of female employees in Queensland who had caring responsibilities wanted to make more use of work arrangements to provide care for another person.<sup>11</sup> Similarly, 10 per cent of male employees and 14 per cent of female employees with caring responsibilities in New South Wales wanted to make more use of work arrangements to provide care.<sup>12</sup>

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<sup>7</sup> ABS, *Managing paid employment and unpaid caring responsibilities, Queensland*, cat. no. 4903.3, October 2002.

<sup>8</sup> ABS, *Managing caring responsibilities and paid employment, New South Wales*, cat. no. 4903.1, October 2000. To date, the ABS has only undertaken this survey in Queensland and New South Wales. Data for other states are not available.

<sup>9</sup> ABS, *Working Arrangements*, cat. no. 6342.0, November 2003.

<sup>10</sup> HILDA, Wave 3, unpublished data, children under 15 years refers to youngest resident own child, which excludes step and foster children and own children not usually resident in the respondent's household.

<sup>11</sup> ABS, *Managing paid employment and unpaid caring responsibilities, Queensland*, cat. no. 4903.3, October 2002.

<sup>12</sup> ABS, *Managing caring responsibilities and paid employment, New South Wales*, cat. no. 4903.1, October 2000.

23. Demand for greater use of working arrangements for caring purposes was higher among employees working in the public sector than the private sector. Employees generally wanted to make more use of flexible working time arrangements (particularly flexitime), paid leave, work from home and informal arrangements with their employer.<sup>13</sup>
24. Among employees who wanted to make more use of work arrangements to provide care, the most common reasons for being unable to do so were not having adequate working arrangements and work commitments. Pressure from bosses or other workers was a relatively minor concern (cited by 10 per cent of Queensland employees and 12 per cent of NSW employees who wanted to make more use of work arrangements).<sup>14</sup>

### Part-time work

25. Many parents, particularly mothers, choose to undertake part-time work because they find it valuable in helping them balance paid work with unpaid caring responsibilities. Part-time work can allow parents to ease back into the labour force, increasing household income and reducing skill atrophy, while leaving time for caring responsibilities and reducing reliance on non-parental child care.
26. Mothers are more likely to work part-time than women without young children in Australia. Figure 5 shows that 61 per cent of employed women aged between 25 and 44 years with children under 15 years work part-time compared with less than 20 per cent of those without children. In contrast, fathers are less likely to work part-time than men without children, reinforcing the notion that men are more likely to take on a 'breadwinner' role when children are present.

Figure 5 - Full-time/part-time status of employed persons aged 20 to 44 years by presence of children, 2005

	Men		Women	
	% full-time	% part-time	% full-time	% part-time
With children under 15 years	93.6	6.4	39.3	60.7
Without children under 15 years	90.9	9.1	80.6	19.4

Source: ABS, *Labour Force, detailed data release*, cat. no. 6291.0.55.001, datacube FM2, February 2005.

<sup>13</sup> ABS, *Managing paid employment and unpaid caring responsibilities, Queensland*, cat. no. 4903.3, October 2002; ABS, *Managing caring responsibilities and paid employment, New South Wales*, cat. no. 4903.1, October 2000.

<sup>14</sup> ABS, *Managing paid employment and unpaid caring responsibilities, Queensland*, cat. no. 4903.3, October 2002; ABS, *Managing caring responsibilities and paid employment, New South Wales*, cat. no. 4903.1, October 2000.

27. Indeed, among couple families with children, 'female secondary earner' and 'male breadwinner' households are the most common. Figure 6 shows that 35 per cent of couple families with children under 15 years, and 35 per cent of children in couple families, have a father working full-time and mother working part-time. Only around one in five couple families, or less than 18 per cent of children in couple families, have both parents working full-time.

**Figure 6 - Employment status of couple families with children under 15 years, 2003**

	% of couple families	% of children in couple families
Father full-time, mother full-time	20.0	17.5
Father full-time, mother part-time	34.8	35.2
Father full-time, mother not employed	29.6	31.0
Other	15.6	16.3

Source: ABS, *Family Characteristics*, cat. no. 4442.0, June 2003.

28. Mothers work part-time rather than full-time primarily so they can take care of children, while fathers have mixed reasons for working part-time. Figure 7 shows that 74 per cent of mothers and 22 per cent of fathers who work part-time do so in order to care for children. Only 8 per cent of mothers who work part-time do so because they could not find full-time work or because they prefer their current job and part-time hours are a requirement of the job.

**Figure 7 - Main reason for working part-time rather than full-time, persons employed part-time with youngest resident own child under 15 years, 2003**

	% of men	% of women
Caring for children	21.7	74.2
Could not find full-time work	19.0*	4.3
Prefer part-time work	11.6*	10.5
Other personal or family responsibilities	6.1*	3.3
Prefer job & part-time hours are a requirement of the job	8.1*	3.6
Going to school, college, university	**	1.2*
Own illness or injury	15.1*	0.8*
Other	14.6*	2.1

Source: HILDA Wave 3. Estimates are weighted to reflect the Australian population.

\* indicates that relative standard error of estimates is between 25 and 50 per cent and should be treated with some caution.

\*\* indicates that relative standard error of estimate is higher than 50 per cent and a reliable estimate cannot be made.

29. Part-time employment rates for mothers vary as their children age. Figure 8 shows that employed mothers are more likely to work part-time than full-time while their children are aged under 15 years. However, the rate of part-time work declines as children get older: 78 per cent of employed mothers with children aged under one year work part-time, compared with around half whose youngest child is 14 years of age. Employed single mothers are slightly less likely to work full-time than employed partnered mothers, except when their children are very young.

**Figure 8 - Full-time/part-time status of employed mothers by age of youngest child, 2001**

Age of youngest child	Partnered mothers		Single mothers		All mothers	
	% FT	% PT	% FT	% PT	% FT	% PT
<1	21.5	78.5	25.9	74.1	21.7	78.3
1	28.2	71.8	27.9	72.1	28.1	71.9
2	31.1	68.9	30.5	69.5	31.1	68.9
3	33.7	66.3	31.7	68.3	33.3	66.7
4	34.4	65.6	32.9	67.1	34.2	65.8
5	36.1	63.9	34.1	65.9	35.7	64.3
6	36.6	63.4	35.0	65.0	36.3	63.7
7	37.9	62.1	35.4	64.6	37.5	62.5
8	39.3	60.7	37.1	62.9	39.0	61.0
9	40.5	59.5	38.1	61.9	40.0	60.0
10	42.1	57.9	39.7	60.3	41.7	58.3
11	43.8	56.2	41.1	58.9	43.2	56.8
12	46.2	53.8	44.5	55.5	45.9	54.1
13	48.5	51.5	46.4	53.6	48.2	51.8
14	49.5	50.5	48.5	51.5	49.3	50.7
15	49.9	50.1	52.5	47.5	50.4	49.6

Source: ABS, 2001 Census of Population and Housing, unpublished data.

30. The majority of women aged between 25 and 44 years who work part-time are happy with their hours of work. Figure 9 shows that 77 per cent of 25 to 34 year olds and 80 per cent of 35 to 44 year olds who work part-time prefer not to work more hours. Most part-time workers who want to work more hours are either not looking for work or not available to start work.

**Figure 9 - Female part-time employed persons, whether want more hours of work, by age, 2005**

	% prefer not to work more hours	% actively looked for more work and available to start		% want more hours but not looking or available
		Full-time hours	Part-time hours	
15 - 19 years	68.1	8.0	6.6	17.3
20 - 24 years	61.8	13.4	2.8	21.9
25 - 34 years	77.0	6.5	2.3	14.2
35 - 44 years	80.0	3.9	2.6	13.5
45 - 54 years	79.3	4.3	1.9	14.5
55 - 59 years	85.8	3.3	1.2	9.7
60 - 64 years	90.3	0.4	1.3	7.9
65 years and over	96.4	0.8	0.3	2.6
Total	77.1	5.7	2.8	14.5

Source: ABS, *Labour Force, detailed data release*, cat. no. 6291.0.55.001, datacube E01, February 2005.

31. Similarly, around 64 per cent of part-time employees with children under 12 years are happy with their hours: 45 per cent of men and 67 per cent of women prefer no change in the hours they work in their main job. Men are far more likely than women to want to work longer hours.<sup>15</sup>

### Parental leave

32. Job-protected parental leave is a minimum entitlement under the *Workplace Relations Act 1996* (WR Act). Permanent full-time and part-time employees, as well as regular casuals who have at least 12 months continuous service with their employer, can take up to 52 weeks of unpaid parental leave following the birth or adoption of a child. Employees can also negotiate paid maternity or paternity leave through the workplace bargaining provisions of the WR Act where it is a priority.
33. In 2004, 34 per cent of women and 20 per cent of men had access to paid maternity or paternity leave in their job.<sup>16</sup> Up to 41 per cent of women covered by federal certified agreements were covered by an agreement with paid maternity leave provisions, up from only 7 per cent in March 1997.<sup>17</sup>

<sup>15</sup> ABS, *Working Arrangements*, cat no. 6342.0, November 2003.

<sup>16</sup> ABS, *Employee earnings, benefits and trade union membership*, cat. no. 6310.0, August 2004.

<sup>17</sup> DEWR, Workplace Agreements Database, unpublished data for agreements current as at 31 December 2004.

34. Men generally take short amounts of paid leave at the time of the birth of a child, while most women take longer periods of leave and use a combination of paid and unpaid leave. Of those employees with children under six years who took a break from work when their youngest child was born, 94 per cent of men took less than six weeks, while women generally took from three months to less than one year (51 per cent) or one year or more (25 per cent).<sup>18</sup>
35. Most men with children under six years who took leave at the time of the birth of their youngest child took paid leave only (83 per cent), with 68 per cent using annual leave and 19 per cent using paid parental leave. Only 6 per cent of men took unpaid parental leave at the time of the birth.<sup>19</sup>
36. Women in this group generally took a combination of paid and unpaid leave (23 per cent took paid leave only, 39 per cent took unpaid leave only, and 20 per cent combined paid and unpaid leave or other arrangements). Around 32 per cent of women used paid parental leave at the time of the birth, and 39 per cent used unpaid parental leave.<sup>20</sup>
37. In New South Wales, only 5 per cent of women aged between 18 and 54 with a child under the age of 15 had resigned from a job in the last five years because sufficient maternity leave was not available.<sup>21</sup>

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<sup>18</sup> ABS, *Career Experience*, cat. no. 6254.0, November 2002.

<sup>19</sup> ABS, *Career Experience*, cat. no. 6254.0, November 2002. Respondents can indicate that they took more than one type of leave at the time of the birth of their youngest child, so percentages do not add up to 100 per cent.

<sup>20</sup> ABS, *Career Experience*, cat. no. 6254.0, November 2002. Respondents can indicate that they took more than one type of leave at the time of the birth of their youngest child, so percentages do not add up to 100 per cent.

<sup>21</sup> ABS, *Managing caring responsibilities and paid employment, New South Wales*, cat. no. 4903.1, October 2000.

## C. Initiatives to assist parents to return to the paid workforce

### Parenting Payment

38. Parenting Payment provides financial help for people who are primary carers of children aged under 16 years. The income tests for Parenting Payment allow recipients to undertake some employment and still receive Parenting Payment. Parenting Payment has different income tests depending upon whether the recipient is single or partnered (when Parenting Payment was introduced in 1998 it combined Sole Parent Pension and Parenting Allowance). Parenting Payment single (PP(s)) recipients receive the pension rate, income tests and fringe benefits whereas Parenting Payment partnered (PP(p)) recipients receive allowance conditions.
39. PP(s) is more generous than PP(p) in that it has a higher maximum rate, a higher income test free area (the amount of income a person can receive before their payment is reduced) and a lower withdrawal rate (the rate at which income in excess of the free area reduces payment). Figure 10 outlines the parameters of the Parenting Payment income tests.

Figure 10 - Parenting Payment income test parameters

	Maximum rate (per fortnight)	Income test free area* (per fortnight)	Income test withdrawal rate	Cut-out point** (per fortnight)
Parenting Payment (single)	\$482.10	\$122.00 plus \$24.60 for each child	40% (PP is reduced by 40 cents for each dollar of private income above the free area)	\$1351.85 (for one child)
Parenting Payment (partnered)	\$360.30	\$62.00	50% & 70% (PP is reduced by 50 cents for each dollar of private income between \$62 and \$245 pf, and by 70 cents for each dollar above \$245)	\$629

\* Working Credit can increase the size of the free area. Where total private income is less than \$48 pf, income support customers can automatically build up to 1000 Working Credits. If they do start work, every Working Credit allows them to earn an extra dollar before their income support is reduced.

\*\* The cut-out point is the amount of private income that reduces Parenting Payment to nil. (Any Child Support received is ignored in income tests for income support payments but can reduce the level of Family Tax Benefit Part A that a parent would otherwise receive.)

40. For PP(p) recipients, the income of the partner may also affect the rate of payment. The amount of the partner's income beyond which an allowance would not be payable to the partner (\$600 per fortnight) reduces Parenting Payment by 70 cents in the dollar. Parenting Payment is reduced to nil when the partner's income reaches \$1,115 per fortnight.
41. Figures from June 2002 show that around 41 per cent of PP(s) recipients were working, and 42 percent of those not working wanted to work. Not surprisingly, the incidence of work and the preference for work was higher for those with older children.
42. Since September 2002, Parenting Payment has adopted a greater focus on participation to assist parents to prepare for when they can no longer receive Parenting Payment (once their youngest child turns 16) and would be expected to take up paid work. Parents who remain out of the workforce and on income support for long periods often face great difficulty in returning to substantial levels of work later on when their children are older, due to lack of recent workforce experience, skills, contacts and confidence. Supporting parents by encouraging and helping them to prepare to enter the workforce or return to higher levels of work as their children grow older helps to ease the transition back into work.
43. People receiving Parenting Payment and whose youngest child is aged between 6 and 12 years are required to attend an annual interview with a Centrelink Personal Adviser (PA). Parenting Payment recipients with a youngest child less than 6 years can volunteer to see a PA. PAs provide individualised assessments to ensure people get the right help as early as possible so that they have the best possible chance of gaining employment or staying involved in the community.



44. Parenting Payment recipients whose youngest child is aged between 13 and 15 years have an annual interview with a PA and a participation requirement of 150 hours in a six month period (around six hours a week), to help them prepare for work. Participation requirements for parents are flexible and take into account child care needs. Activities are negotiated according to individual needs and circumstances and generally fall into the categories of paid work, job search, education or training, voluntary work, pre-vocational activities, or activities to overcome barriers. Parenting Payment recipients are required to report on their activities every three months.

### **Job Network**

45. Parenting Payment recipients can volunteer to participate in the Job Network and are eligible for the full suite of Job Network services including:
- the choice of a single Job Network member to support them;
  - Job Search Support services;
  - Intensive Support – this includes job search training, developing a job search plan, and possible referral to complementary employment and training services to help the job seeker improve their job prospects and address employment barriers (Parenting Payment recipients may also receive early access to Intensive Support customised assistance if they are assessed as highly disadvantaged);
  - access to complementary programmes (for example, Work for the Dole or the Personal Support Program);
  - assistance through a Job Seeker Account – the Job Seeker Account holds funds that the Job Network member may use to purchase services and products to assist individual job seekers; and,
  - if eligible, access to Training Accounts and Training Credits – Training Accounts provide funds for accredited training for mature age and Indigenous people working with Job Search Training and Intensive Assistance providers; the Training Credit provides funds for accredited training if the job seeker has completed Work for Dole or a Community Work placement.

46. The Job Network is able to service parents flexibly, taking into account preferences for part-time work and caring responsibilities. Parents can also continue to receive the full range of assistance from the Job Network if they have a part-time job but want to find a full-time job.
47. As at 28 January 2005, 26,708 people on Parenting Payment were actively participating in the Job Network (Intensive Support services).
48. DEWR is pursuing several strategies to increase the number of Parenting Payment recipients participating in the Job Network. These include improved communication between Centrelink and the Job Network; improved IT systems to make referrals and registration of parents easier; education and communication strategies to improve knowledge of Job Network assistance for parents; and encouraging parents to participate.

### **Transition to Work**

49. Transition to Work assists parents returning to the workforce after a break of two years or more, or who have never worked. Transition to Work participants receive practical assistance tailored to the individual needs of the job seeker to help overcome barriers to employment.
50. This assistance includes a skills assessment, Vocational Profile, auto matching to vacancies on the Australian Job Search database and may include help with job search skills, accredited training such as TAFE course, personal development or even driving lessons.
51. Transition to Work commenced on 1 July 2002. At the end of December 2004, there had been 29,475 commencements with parents comprising 93 per cent of participants. Post-programme monitoring shows that three months after participants have exited Transition to Work, 54 per cent are in either employment or education.<sup>22</sup>

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<sup>22</sup> DEWR data as at the end of June 2004.

### **Work for the Dole trial**

52. Work for the Dole provides valuable work experience placements for job seekers in approved activities which provide facilities and services to local communities. Through Work for the Dole, participants may also earn a Training Credit.
  
53. From March 2005, DEWR will conduct a Parenting Payment pilot in seven Employment Services Areas across the country. In each pilot location, stakeholders (DEWR, Job Network Members, Community Work Coordinators and Centrelink) will develop local arrangements to engage and retain non activity testable Parents in Work for the Dole activities. Following the trial an evaluation will be conducted in order to identify best practices and support arrangements that can be used to optimise services to this group of clients through Work for the Dole.

## **D. Workplace relations system**

54. Since 1996, the workplace relations system, through the WR Act, has provided a flexible framework for the negotiation and agreement of individual working arrangements that can help parents balance their work and family responsibilities.
55. Australian employees with family responsibilities have access to a range of working arrangements to help them balance their work and caring responsibilities. The workplace relations system ensures a minimum safety net for workers with family responsibilities, while encouraging employees and employers to negotiate additional family friendly working arrangements to suit their diverse needs.
56. Schedule 14 of the WR Act provides minimum entitlements for unpaid parental leave. Employees who intend to be the primary care giver of their new baby or adopted child are entitled to 52 weeks unpaid parental leave if they have worked continuously for their employer for 12 months or longer.
57. In addition, under the unlawful termination provisions of the WR Act, an employer cannot terminate an employee's employment for a range of reasons, including family responsibilities and absence from work during maternity leave or other parental leave (sub-sections 170CK(2)(f) & (h)).
58. The award safety net, combined with legislative provisions for discrimination and unpaid parental leave, provides a minimum level of protection for employees with caring responsibilities.
59. The WR Act prescribes allowable award matters, including a range of provisions that can assist employees to meet their work and family responsibilities. These include personal/carer's leave, hours of work and various types of employment such as regular part-time employment, casual employment and shift work (section 89A(2)).

60. The award safety net provides leave and working arrangements flexibilities to help workers with family responsibilities. These include 12 months unpaid parental leave at the time of the birth or adoption of a child, part-time employment by agreement, personal leave, carer's leave, bereavement leave, limits on the length of the working day and specified ordinary hours of work.
61. In the recent Family Provisions Case in the Australian Industrial Relations Commission (AIRC), employee and employer parties agreed to extend the award safety net to increase the current cap on carer's leave from 5 to 10 days, drawn from an employee's personal leave credit, and to include up to 2 days of unpaid carer's leave for use by casuals or employees whose personal leave has been exhausted. This agreement is yet to be approved by the AIRC.<sup>23</sup>
62. In the Family Provisions Case, the Commonwealth also supported the removal of out of date, inflexible or unduly prescriptive or process-laden award provisions. These can place unnecessary restrictions on the availability of different types of employment and the way in which hours of work and leave entitlements can be arranged to better suit the work and family needs of individuals.<sup>24</sup>
63. Many employees have access to family friendly working arrangements in excess of the safety net through workplace agreements such as federal certified agreements and Australian Workplace Agreements (AWAs). Agreements can include a range of practices that help employees balance their work and home lives which are not included in awards.

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<sup>23</sup> The Full Bench's decision in the Case is pending, and this clause has yet to be approved.

<sup>24</sup> *Final Commonwealth submission*, Family Provisions Case 19 November 2004, page v.

64. Around 89 per cent of employees covered by a certified agreement are covered by an agreement with at least one family friendly provision, and 70 per cent are covered by an agreement with at least three such provisions.<sup>25</sup> Around 93 per cent of employees covered by a certified agreement are covered by an agreement with at least one family friendly or flexible hours provision.<sup>26</sup>
65. Over 70 per cent of AWAs approved in 2002-03 contained at least one provision relating to either family friendly leave or family friendly work arrangements. Of these, more than half had three or more such provisions.<sup>27</sup>
66. Agreement-making at the workplace and enterprise level is particularly suited to tailoring working arrangements in ways that assist employees to balance work and family responsibilities. Increasing numbers of organisations have found that agreement-making provides a wide variety of options for new and innovative initiatives that benefit both employees and the business.
67. Organisations with best practice work and family policies report a range of positive impacts, including higher retention rates, better morale, increased return rates from parental leave, higher productivity, fewer workers compensation claims, easier recruitment of high quality applicants, less industrial action, low levels of absenteeism and better customer satisfaction.<sup>28</sup>

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<sup>25</sup> DEWR, Workplace Agreements Database, unpublished data for agreements current as at 31 December 2004. Family friendly provisions include: flexible use of annual leave; access to single days' annual leave; purchased leave; unlimited sick leave; all purpose paid leave; paid family leave; other paid leave for caring purposes; unpaid family leave; extended unpaid parental leave; paid maternity or paternity leave; paid adoption leave; part-time work; job sharing; home based work; and child care provided or subsidised by employer.

<sup>26</sup> Flexible hours provisions include: make-up time; time off in lieu at either ordinary or penalty rates; hours averaged over an extended period; compressed hours; flexible start/finish times; flexitime system; negotiable hours of work; hours decided by a majority of employees; and banking/accrual of rostered days off.

<sup>27</sup> Office of the Employment Advocate, unpublished data, January 2002 to December 2003 (these are the most recent data available). Provisions include: flexible start and finish times; work from home/telecommuting option; banking or accrual of rostered days off; time off in lieu of overtime; flexitime; flexitime for family needs; job sharing; availability of permanent part-time work; part-time work policy; purchased leave scheme; child care paid for or reimbursed when overtime is worked; and part-time work option for new parents/carers.

<sup>28</sup> DEWR, *Winning Workplaces: ACCI/BCA National Work and Family Awards 2004*.

## **E. Initiatives to promote the use of family friendly working arrangements**

68. DEWR provides a range of information and support for employers and employees about work and family issues.

### **ACCI/BCA National Work and Family Awards**

69. DEWR is a major sponsor of the ACCI/BCA National Work and Family Awards. The Awards recognise best practice in work and family, especially those organisations that seek out and respond to their employees' particular needs while meeting business demands.

70. The Awards aim to:

- demonstrate and promote the business benefits of flexible working arrangements;
- recognise organisations that accommodate employees' work-life needs with productive outcomes;
- provide an opportunity for companies to review and benchmark their working arrangements; and
- provide case studies, model policies and initiatives that serve as useful tools for other employers.

71. The 2005 Awards are currently underway with applications closing on 12 May 2005. This year awards will be made in the following categories: Gold Award – Private Sector; Gold Award – Public Sector; Large Business Award; Medium Business Award; Small Business Award; Rising Star Award; and Regional and Rural Award. The Awards will be presented by the Minister for Employment and Workplace Relations at a ceremony in November 2005.

72. Award winners provide excellent examples of the benefits to both businesses and employees of family friendly working arrangements. For example, the Australian Federal Police (AFP), Gold Award Winner in the 2004 Awards, introduced a range of family friendly initiatives including an information strategy to raise awareness of enhanced flexible working arrangements, 'Dial-an-Angel' Program to provide emergency child or elder care, 14 weeks paid maternity leave, extended leave for illness and a 'Keep in Touch' scheme for staff on maternity or other extended leave. The AFP found that the attrition rate for staff almost halved and the return rate from maternity leave increased to 80 per cent. Surveys show that AFP staff are becoming increasingly satisfied with their flexible work options and are experiencing less family/work conflict.
73. Sunraysia Murray Group Training, Small Business Award Winner in the 2004 National Work and Family Awards, offer staff four weeks paid maternity leave and one week paid paternity leave, flexible working hours, time in lieu and flexitime, paid carer's leave and increased part-time work and job sharing opportunities. They found that staff were more committed to the company, increasing productivity and the quality of customer service. They also increased their ability to attract skilled staff due to recognition in the local community as a good employer.

**Office of the Employment Advocate initiatives promoting family friendly working arrangements in AWAs**

74. The Office of the Employment Advocate (OEA) provides a range of products and services which aim to demonstrate to employers and employees how AWAs can facilitate the introduction of innovative working arrangements, including practices that assist workers to better balance their work and family responsibilities. AWAs are likely to be the more effective vehicle for work and family initiatives, as they can take account of quite specific needs of individual employees.
75. The products available to employers and employees include:
- an information sheet available on the OEA website 'Information Sheet No. 12 – Balancing Work & Family' which lists a range of provisions that may prove useful to both employers and employees when drafting an AWA;



- a comprehensive paper, 'Hours Flexibility: Finding a Balance', available on the OEA website. The paper outlines the case for providing flexible working hours that balance the needs of both employers and employees. It provides a checklist to aid in the development of flexible working time arrangements, a list of various flexibility options, and a number of links to both Australian and international resources dealing with the issue of flexible working hours and work-life/work-family balance.
- a publication "Improving the Work and Family Balance", available as a download on the OEA website or in hard copy;
- a series of 'AWA Ambassador' case studies, a number of which highlight the use of various family friendly provisions and initiatives. Additionally, a case study (Moonta Foodland) illustrating how work and family initiatives have added value in a relatively small business, is also available on the website; and
- AWA Frameworks and Templates.

76. OEA staff in the Client Service Network (CSN), comprising about 40 per cent of the OEA's total staff resources, spend the bulk of their time giving advice and assistance to employers and employees either over the phone, in-person at the workplace, or in seminars. An integral part of the CSN role is to discuss and promote work and family balance.

### **Workplace Portal**

77. The Workplace Portal ([www.workplace.gov.au/WorkFamily](http://www.workplace.gov.au/WorkFamily)) provides a range of information to employers and employees who are interested in implementing family friendly working arrangements in their workplaces.

78. General information on making a family friendly workplace includes information on negotiating family friendly agreements, 20 cheap and easy family friendly ideas for employers and a guide to evaluating work and family strategies in the workplace.

79. The website also has fact sheets on specific family friendly working arrangements, including home-based work, job sharing, regular part-time work, father friendly workplaces, pregnancy and breastfeeding, maternity and parental leave, carer's leave, elder care and child care.

### **Family Friendly Agreement Clauses Database**

80. The Family Friendly Agreement Clauses Database contains a wide range of clauses drawn from federal certified agreements. The Database is designed to assist employers and employees to negotiate family friendly provisions in their workplace by demonstrating what other organisations have already achieved.
81. The Database includes examples of agreement clauses which employers and employees can adapt for use in the certified agreements or in an AWA. Users of the Database can search for examples of clauses taken from agreements covering organisations of different sizes and types and operating in diverse business environments. The Database can be accessed at [www.wagenet.gov.au/FFAC](http://www.wagenet.gov.au/FFAC).
82. Clauses available on the Database include:
- part-time work;
  - parental leave;
  - flexible working hours;
  - make-up time;
  - family/carer's leave;
  - purchased leave and career breaks;
  - family responsibilities provisions;
  - access to single days annual leave; and
  - all purpose paid leave.

## **F. Conclusion**

83. DEWR's policies and programmes support parents' choices about workforce participation and employment levels, particularly when their children are young.
84. For parents and carers who wish to participate in paid work, DEWR provides assistance to find work through its employment assistance and other programs. Once in work, DEWR supports parents through advocating and supporting flexible working arrangements, particularly through the agreement making provisions of the WR Act. Working parents are also able to access flexible employment conditions through the minimum employment conditions available through the WR Act and the award system.