

Mr James Catchpole  
Secretary  
Standing Committee on Family & Human Service  
House of Representatives, Parliament House  
Canberra ACT 2600

**SUBMISSION NO. 113**  
AUTHORISED: 9-05-05



By email: [fhs.reps@aph.gov.au](mailto:fhs.reps@aph.gov.au)

Dear Sir,

Please accept YWCA Australia's submission to the House of Representatives Inquiry on Balancing Work and Family.

YWCA Australia provides services to over a quarter of a million women, men and children at over 100 sites in all States and Territories across regional, rural and metropolitan Australia. Our programs are focussed on building strong and resilient communities and assisting all people in Australia to reach their potential.

While YWCAs work with all members of the community, we have a particular focus on working for and with young women and fostering young women's leadership and participation. This includes how young women make choices about their mental, physical and financial wellbeing. It is in this vein that we welcome the Parliament's interest in this matter.

The need to effectively juggle the demands of work and family has been a long term struggle for many women: for some it is a matter of financial necessity, for others it is a desire to be both a successful professional, and a mother, partner, sister and daughter. YWCAs in Australia have worked with women throughout this spectrum as clients of our services, volunteers, and board members. Having worked with women in Australia for over 100 years, we are well placed not only to comment on the experiences of women, but also offer practical solutions that lead to positive changes for all people in Australia.

YWCA Australia recognises that it is impossible to comprehensively cover the reasons why, how and when women choose to have children. As such, we have concentrated on issues that impact young women between the ages of 15-30, and on matters that fall within the purview of the Parliament to address. Long term financial security is a key issue for the women the YWCA represents, including issues of care, job security, and career progression.

YWCA Australia would welcome the opportunity to provide oral submissions to the Inquiry. Please contact Erica Lewis, National Policy and Research Officer on 02 6230 5150 for any further information.

Yours sincerely,

**Robin Low**  
National President  
YWCA Australia  
21 April 2005

**ywca of australia**

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## 1. The financial, career and social disincentives to starting a family

### Financial

A growing amount of research indicates that the cost of having a child is increasing, with women with higher levels of education losing relatively more in income than less educated women as a result of child birth.<sup>1</sup> Young women making decisions about having children or when to start a family do so aware that the cost of raising children is high and that their lives will be impacted by reduced life-time earnings.<sup>2</sup> This financial impact has been compounded by rising household debt, patchy paid maternity leave provisions and the significant rise in real estate prices, making home ownership further out of the reach of many young people.<sup>3</sup>

Incentives to date such as the once off \$3000 Baby Care Payment do provide badly needed relief to new parents, but unfortunately, it does not represent income replacement and makes little impact on ongoing costs such as health care, appropriate accommodation, childcare and education. Providing long term financial incentives for women to have children requires a whole of government approach to all of these areas. Further, we would encourage the Government to increase the Baby Care Payment to meet the minimum weekly wage, and encourage the Government to meet international standards in maternity entitlements.<sup>4</sup>

In addition to increases in the Baby Care Payment, two incentives YWCA Australia encourages the Committee to consider are:

- Changing the rules for the first home owners grant so that it attaches to an individual rather than a property. This would allow two or more first home owners to pool their grants, providing a larger amount for an initial house deposit; and
- Raising the maximum rate of the childcare benefit, and removing its indexation to CPI. Instead we advocate indexing weekly benefits based on the costs of childcare. YWCA acknowledges that in order for this proposal to work well, a system that only allows restricted fee increases would need to be established.

### Career

Young women fear that having children will limit their career progression.<sup>5</sup> Women's experiences in the workplace create a perception that taking time off to care for children or parents, working part time, or being unwilling to travel or work overtime negatively impact

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<sup>1</sup> Hudson global Resources & Human Capital Solutions/Joesphine Palermo, *Breaking the cultural Mould: The Key to Women's Career Success*, November 2004, p3.

Richard Percival & Ann Harding National Centre for Social and Economic Modeling,, *The Costs of Children in Australia*, National Centre for Social and Economic Modeling, presented to the Australian Institute of Family Studies Conference, 2003, p1.

Office of the Status of Women, *Women in Australia 2004*, Commonwealth Government, Canberra, 2004, p54.

<sup>2</sup> HREOC, *A time to value - proposal for a national paid maternity leave scheme*, HREOC, Sydney, 2002, p15-16.

<sup>3</sup> 2002 National Pay Equity Submission, *Valuing Parenting - Options for Paid Maternity Leave*

<sup>4</sup> Article 6 of ILO Convention 183 requires that any maternity payment should be not being less than 2/3 of a woman's regular income

<sup>5</sup> *Our Rights, Our Voices: the National Community Report Card on Women's Human Rights in Australia*, Women's Rights Action Network Australia, 2005.

on their career prospects. Regardless of whether this is accurate, prominent women role models who successfully and happily balance work and family responsibilities, particularly with young children, remain the surprising exception rather than the rule.

In this context, women generally welcome the growth of workplace flexibility. Unfortunately, the extent to which flexibility is provided to women varies depending on her personal circumstances, position and employer. Professional women appear to have reaped significant benefits, but in the case of shift-workers or casual staff, some employers have used workplace flexibility to build an expectation that workers will be available at short-notice and at non-standard hours.<sup>6</sup> In the case of sole parents, workplaces are rarely flexible enough to fit with their expanded family responsibilities. Sole parents must balance the costs of working, including childcare, clothes, and transport, against the loss of Centrelink benefits that taper off quickly as their incomes increase. Like young women, sole parents are also largely represented in the part-time workforce,<sup>7</sup> more likely to be casuals, and therefore have no leave entitlements.<sup>8</sup> These women are poorly placed to negotiate with employers for flexible work practices that support their family commitments.

Flexibility in providing carer's leave is of particular importance to women. Demographic compression is increasingly leading to what is known as the 'sandwich generation', with women not only responsible for raising children but increasingly also responsible for caring for ageing parents. The sandwich generation may currently represent as many as 1 in 5 working Australians.<sup>9</sup>

YWCA Australia encourages the Government to consider the following in any reform of workplace relations:

- Retain the obligation on any body responsible for setting minimum wages and conditions to take account of the need to help workers reconcile their work and family responsibilities, as is the current requirement on Australian Industrial Relations Commission (AIRC);<sup>10</sup>
- Recommend allowing bundling of various categories of leave available in order to facilitate carers leave;
- Allow workers to purchase additional leave;
- Provide further incentives for employers to implement flexible working arrangements, such as core hours, flex-time, work patterns that reflect school holidays, and working from home; and
- Reducing the work force attachment requirements to access unpaid maternity leave to 26 weeks and increasing it to two years as in the United Kingdom.

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<sup>6</sup> OECD, *Babies and Bosses: Reconciling work and family life*, Vol 1, 2002, para 6.4.1, p182.

<sup>7</sup> 45.9% of 15 – 19 year old women and 29.5% of 20 – 24 year old women participating in the workforce are working part-time ABS, *Labour Force Australia*, April 2002, 6203.0 and 6302.0

<sup>8</sup> 72.9% of 15 – 19 year old women and 31.1% of 20 – 24 year old women participating in the workforce self-identify as casual workers. ABS, *Forms of Employment*, August 1998, 6359.0

<sup>9</sup> [http://www.workplaceohs.com.au/nocookie/articles/work\\_family.htm](http://www.workplaceohs.com.au/nocookie/articles/work_family.htm)

<sup>10</sup> Section 93A of the *Workplace Relations Act 1996*, which refers to ILO Convention 156 – Workers with Family Responsibilities.

YWCA Australia would also strongly support Government initiatives that facilitate and recognise enterprises reporting on work and family balance issues such as workplace flexibility, entitlements for carers, and provision of on-site childcare, such as the national Work and Family Awards.

## Social

There are many reasons why women chose not to have children, but one that impacts on most women is gender inequity. YWCA Australia identifies this as a key disincentive for women having children as women still bear a double burden in paid and unpaid work.<sup>11</sup> While the gap between men and women unpaid work has narrowed this is mostly due to decreases in women's time on tasks, rather than increases in men's contributions to unpaid household labour.<sup>12</sup> Women wanting to progress their careers are aware of this trend, and aware of the prevailing attitude that being a good family man relates to spending quality time with children, rather than undertaking regular household duties.<sup>13</sup>

YWCAs nation wide provide programs aimed at assisting women cope with the changes that come with a new family. Some, such as mother's groups or parenting education programs, are aimed at peer support and building community links. Others are targeted at families who are struggling, who are in crisis or worse, at risk of physical danger in the family home. From our experience in designing and delivering services, YWCA Australia is strongly committed to a preventative and early intervention approach that supports women across their lifetime.

From our experience, we recommend the Government take a more coherent approach to social planning and service delivery. We encourage the Government to go beyond gender mainstreaming to seeking gender equitable outcomes and creating an environment of social change where men and women play equal roles in paid and unpaid work. This includes providing education and incentives to men to spend more time on their family, and less on work. These could include:

- Promotion of work and family balance through community and workplace health, well being, family and nutrition programs;
- Provision of training and community education programs educating men on their roles and responsibilities as caregivers and legal guardians of children;
- Expanded minimum standards for paternity leave, including for adopted children;
- Paid dependant care for staff expected to attend out-of-hour meetings or training; and
- Promoting role models and best practice.

## 2. Making it easier for parents who so wish to return to the paid workforce

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<sup>11</sup> ABS, Time Use 1997

<sup>12</sup> Michael Bittman, Sonia Hoffmann and Denise Thompson, *Men's uptake of family-friendly employment provisions*, Policy Research Paper Number 22, FaCS, Canberra, 2004.

<sup>13</sup> *ibid*

YWCA Australia considers there are three main areas where the Government can assist parents wanting to return to the workforce. These are in improving access to childcare, improving workplace flexibility, and facilitating social change to improve gender equity. The latter two issues have been dealt with earlier in this submission, so this section concentrates on childcare as a tool to assist parents in returning to the paid workforce.

Recent research shows that the cost of childcare has increased,<sup>14</sup> is often difficult to access,<sup>15</sup> and lacks the flexibility that many parents need to accommodate part-time or shift-work, school holidays, or study timetables. This echoes the YWCAs experience as a significant childcare provider. Many centres have a waiting list, and our clients often tell of struggling to find quality care, in an appropriate location, at a desired time and of an affordable price. For example, few childcare centres reliably offer occasional care, or open after 6pm. This limits the options for flexible childcare, essential for casual or temporary staff with irregular hours, or for students whose class timetable changes from term to term.

The formal childcare system requires greater flexibility to assist parents return to paid work. This could begin with increasing the number of occasional care places available. The National Association of Community Based Children's Services has recommended that the childcare accessibility problem could be addressed by the establishment of one childcare centre with a full range of services and age groups for every 800 children under 5 years of age.<sup>16</sup> YWCA Australia considers that priority should be given to community owned and operated centres, as these are usually more responsive to the needs of parents and the local community.

YWCA Australia welcomes the recent decision of the Australian Industrial Relations Commission to award pay increases to childcare workers in Victoria and the ACT. As a child care provider, we also realise that this will almost certainly lead to an increase in childcare fees for parents. As such, YWCA Australia believes the Government's \$1 billion package for the 30% tax rebate for out-of-pocket costs for childcare would be more effective if, in meeting childcare demands of people already on low incomes, it was diverted to support for not-for-profit childcare centres to meet the pay increase without raising fees.

### **3. The impact of taxation and other matters on families in the choices they make in balancing work and family life**

#### **Taxation**

With the taxation system becoming more complex, it is difficult to cover the field of areas where taxation impacts on decisions about balancing family and paid work. Two critical areas of tax that affect young women are payments for tertiary education either through HECS-HELP for undergraduates or FEE-HELP for postgraduates, and superannuation.

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<sup>14</sup> Australian Institute of Health & Welfare 2003, *Australia's Welfare 2003*, Canberra: AIHW, p246.

<sup>15</sup> Just looking to check the original reference on this at the moment it comes from ACTU, *Submission to AIRC Work and Family Test Case*, 2004, p84.

<sup>16</sup> [http://www.cccinc.org.au/childrenfirst/pdf/policy\\_papers/NACBCS%20-%20NATIONAL%20POLICY.pdf](http://www.cccinc.org.au/childrenfirst/pdf/policy_papers/NACBCS%20-%20NATIONAL%20POLICY.pdf)

YWCA Australia welcomes measures taken by the Government in increasing the repayment thresholds for tertiary education fees, which represent an additional tax burden of between 4-8%. Unfortunately, the continuing rise and deregulation of tertiary education fees means that young people increasingly have education debts owing to the Australian Government.

The high level of debt and the related additional tax burden make it harder for those who have undertaken university studies to save for a house, or reach a financial position where they feel they can afford to raise children. The YWCA Australia would recommend that HECS-HELP and FEE-HELP repayment income formulas be changed to include a reduction not only for rental income loss, as in the current system, but also for costs of dependent children.

Superannuation is becoming an increasingly significant consideration for young women deciding on when is the best time to have children, if at all. As a result of its very design, superannuation penalises women who take time out of the paid workforce to raise children or care for family members. The heavily gender segregated workforce in Australia and the continuing gender pay gap further penalise women's superannuation.

For many women superannuation will not represent a liveable retirement income.<sup>17</sup> A reasonable pension system must be maintained to recognise women and the role they play in supporting community and family, whether as low-paid workers in childcare or cleaning, or as unpaid workers in caring for children or older family members, or in voluntary service.

### Other matters

As an advocate for young women, YWCA Australia would also like the committee to consider the particular social factors that affect teenage mothers. YWCA Australia supports the recommendations made by the YWCA of Canberra to the ACT Government Schools as Communities program<sup>18</sup> that include:

- Exploring ways of increasing school retention after pregnancy through building a collaborative approach between schools and service providers;
- Ensuring that young mothers have access to enabling infrastructure such as public transport; health services; a secure and liveable income; safe and stable accommodation;
- Affordable and appropriate childcare; and
- Alternate pathways for training and education.

With educational attainment being a leading indicator of workforce attachment and life-time earnings potential, YWCA Australia considers that these recommendations are of particular importance for Australia's long term economic outlook.

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<sup>17</sup> Ross Clare, *Why Can't a woman be more like a man – gender differences in retirement savings*, Association of Superannuation Funds of Australia, Adelaide, 2004, 12.

<sup>18</sup> Sandya Manickam, *Teenage Mothers Further Education – A Needs Analysis*, YWCA of Canberra, July 2004.