

Submission No. 150

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**VICTORIAN GOVERNMENT SUBMISSION TO THE
STANDING COMMITTEE ON FAMILY AND HUMAN
SERVICES**

INQUIRY INTO BALANCING WORK AND FAMILY

JULY 2005

Executive Summary

The Victorian Government welcomes the opportunity to make a submission to the House of Representatives Standing Committee on Balancing Work and Family. The Victorian Government believes that balancing work and family is an important social and economic issue for the Australian community.

The submission is made with particular reference to the Committee's second term of reference – making it easier for parents who wish to return to the paid workforce.

In 2002 the Victorian Government signed a Charter for Work and Family Balance as part of its election policy *Working for Women - Labor's plan for Victorian women*. In November 2003, the Victorian Government developed the *Action Agenda for Work and Family Balance*, as part of implementation of the Charter. The *Action Agenda for Work and Family Balance* sets out four areas for Government action:

- Leading the way in work and family balance
- Supporting industry to adopt practices that enhance work and family balance
- Working in partnership with the community on work and family issues
- Demonstrating good practice in work and family balance in Victorian public employment.

The submission will outline the key achievements of the Victorian Government under the above mentioned four areas. Working towards a better balance between work and family is a priority issue for all businesses and governments in order to reduce the pressures faced by many employees, to improve organisational performance and to assist families in the community.

Positive steps have already been taken by some employers, unions and employees to address this issue, but there is more to be done by all stakeholders, including the Federal Government.

1. Introduction

- 1.1. The Victorian Government welcomes the opportunity to make a submission to the House of Representatives Standing Committee on Balancing Work and Family. The Victorian Government believes that balancing work and family is an important social and economic issue for the Australian community.
- 1.2. The Victorian Government recognizes that it is becoming increasingly difficult for a significant number of people in the community to balance their work, family and community lives. The Government has therefore committed itself to policies and initiatives that will assist working people to better balance all aspects of their lives.
- 1.3. Promoting effective responses to the interface between work and family has emerged as a key contemporary social issue. This is demonstrated by daily media attention and in the recent Federal election campaigns of the major parties. Changing labour force demographics, a need for increasing workplace flexibility and a requirement to ensure an ongoing supply of skilled and engaged workers will mean that the challenge to balance work with family responsibilities continues to remain at the forefront.
- 1.4. In *Growing Victoria Together* the Victorian Government identified “building cohesive communities and reducing inequalities” as one of ten strategic issues of importance to Victoria’s future. To achieve this goal, the Government nominated several priority actions, including the need to “encourage employers, workers and families to better balance their work and family responsibilities and their ability to participate in community life”.
- 1.5. In 2002 the Victorian Government signed a Charter for Work and Family Balance as part of its election policy *Working for Women - Labor’s plan for Victorian Women*. In November 2003, the Premier of Victoria, the Minister for Women’s Affairs and the Minister for Industrial Relations were signatories to the *Action Agenda for Work and Family Balance*, as part of implementation of the Charter.

1.6. The *Action Agenda for Work and Family Balance* sets out four areas for Government action:

- Leading the way in work and family balance
- Supporting industry to adopt practices that enhance work and family balance
- Working in partnership with the community on work and family issues
- Demonstrating good practice in work and family balance in Victorian public employment.

A majority of the initiatives/strategies outlined in the *Action Agenda* have been completed or are well underway. Others are currently at implementation stage. In addition there are a number of new projects, which have been implemented since November 2003.

2. Action Agenda Achievements

2.1. In the *Action Agenda for Work and Family Balance*, the Victorian Government indicated its commitment to demonstrate leadership on work and family balance, to support industry to adopt practices that enhance work and family balance, to work in partnership with the community on work and family issues and to demonstrate good practice in Victorian public employment. Achievements in implementing the Action agenda are outlined below.

Family Provisions Test Case

2.2. The Victorian Government took the lead role in preparing the States and Territories' contentions in the Family Provisions Test Case. These Test Case contentions sought to address both employee and business needs for work and family balance.

2.3. The employee 'right to request' model proposed by the States and Territories is conditioned by an obligation on the part of employers to consider and not unreasonably refuse employee requests.

2.4. The right to request refers to:

- An extension of unpaid simultaneous parental leave after the birth of child from 4 weeks up to 8 weeks;
- An extension of 12 months unpaid parental leave for a further 12 months (or up to a total of 24 months);
- A return to part-time work after parental leave in one or more periods until the child reaches school age;
- Variation in hours and time of work to enable employees to provide care and support for an immediate family or household member;
- Up to 6 weeks additional unpaid or purchased leave in order to assist employees better balance work and family responsibilities; and
- A reasonable period of unpaid leave immediately following a period of annual leave to assist balancing work and family responsibilities.

2.5. The States and Territories also supported an award provision, which provides for the capacity for employers and employees to agree to further periods of unpaid child rearing leave – provided that the leave does not extend beyond the child reaching school age.

2.6. The Victorian Government is of the view that the needs of Victorian workers for work and family balance are best met by effective partnerships at the workplace level. Therefore the Victorian Government has also sought leave to intervene in the Australian Industrial Relations Commission(AIRC) cases that help determine what matters can be included in enterprise agreements. For example, in the Electrolux Test Case, it was argued that work and family balance initiatives were definitely part of the employment relationship and therefore must continue to be included in certified agreements.

Long Service Leave Amendments

2.7. The Government recognises the importance for employers and employees of quality time at home with families. This is one of the reasons underpinning discussions with other states towards a standard approach to long service leave (LSL) entitlements. Victorian workers will be able to access LSL on a pro-rata basis after 10 years (or after 7 years if service is terminated), unequivocally recognising that casual employees are entitled to LSL and most importantly ensuring that all forms of parental leave do not break continuity of service and the accrual of LSL. These reforms will come into effect from

1 January 2006. All these amendments will contribute to a better work and family balance.

Paving the Way for Older Women in the Workforce 2025 Project

2.8. The Victorian Government recognises that the skilled labour force is contracting, the population is ageing and the birth rate is declining. Current projections suggest that the labour supply will be insufficient to meet economic growth across both the public and private sectors. The Victorian Government is taking a lead role with Department of Victorian Communities in planning for the workplace of the future through the *Paving the Way for Older Women in the Workforce 2025 Project*.

2.9. This Project has identified the main employment, industry, and workplace factors that impede and encourage female labour market participation throughout their lives, especially as they age. Initiatives to assist work and family balance will form a major component in supporting women's active participation in the workplace. The research component of this Project, undertaken by Curtin University, was completed in May 2005. These research findings will be presented at the Annual Premier's Women's Summit scheduled for September 2005. Policy options will be identified and flow from the research findings.

The Workforce Participation Taskforce

2.10. The Victorian Government has established a Workforce Participation Taskforce to explore strategies and actions with potential to increase workforce participation in Victoria in the medium to long term. The Taskforce is made up of eminent representatives from the business, trade union, education and training, academic and community sector. It leads the way in examining the issue of workforce participation in Victoria.

2.11. The Taskforce will conduct its work over a six-month period providing a report to the Victorian Government later in 2005 detailing recommendations

for future action for government, business and the community to optimise workforce participation in Victoria. The work is being undertaken in the context of population decline, relatively low levels of participation in comparison to other countries, skill gaps and the impact of these factors on productivity and economic growth.

2.12. As part of an examination of barriers and options for increased workforce participation of specific population groups in Victoria, the Taskforce will examine the barriers restricting participation of parents (particularly women) in the workforce and strategies to facilitate their participation. Preliminary work by the Taskforce has identified access to high quality, affordable childcare, provision of paid maternity leave, parental leave and other flexible work arrangements and flexible job design as significant factors in influencing parent's decisions about participating in paid work.

2.13. Ensuring an accountable, open and transparent approach is critical to effective policy implementation. Industrial Relations Victoria, in partnership with the Office of Women's Policy in the Department of Victorian Communities has taken the lead role in preparing a Report Card on the status of initiatives detailed in the Victorian Government's *Action Agenda for Work and Family Balance*. The Report Card was launched by the Minister for Women's Affairs in May 2005 and has been widely circulated.

Pay Equity Inquiry

2.14. The Minister for Industrial Relations, Rob Hulls MP announced the establishment of a Pay Equity Inquiry in March 2004 to identify the extent of the gender pay gap in Victoria, the factors contributing to the continuing pay differential between male and female earnings and further action that could be taken to progress pay equity in Victoria.

2.15. The Working Party's Report summarises the scope and impact of the gender pay gap in Victoria; what measures have worked in other States and overseas jurisdictions; and which of these measures could be implemented in Victoria,

given its unique regulatory framework for industrial relations and the operation of its equal opportunity legislation. The Working Party Report made twenty recommendations for the government, business and unions to act upon. The Victorian Government is considering the recommendations.

The Better Work and Family Balance Grants Program

2.16. Research shows that businesses that provide flexible workplace practices are rewarded with improved productivity, reduced absenteeism and turnover. They are also more able to attract and retain the best possible talent. Industrial Relations Victoria's Better Work and Family Balance Grants Program provide the ground support for small business to adopt innovative and flexible solutions to work and family balance.

2.17. The Better Work and Family Balance Grants Program was launched in September 2003. Six projects were funded under round one of the program – one local government organisation in a regional area and five small businesses in service, retail and manufacturing industries.

2.18. Round 2 of the Better Work and Family Balance Grants program was launched in September 2004. Two regional small business projects were funded. Round 3 funding was opened up to community sector, as well as private and local government organisations. Nine projects were subsequently funded. Outcomes from these projects will include employer and union agreed models for employee-choice rostering and job share.

Quality Part Time Work Project

2.19. One of the biggest challenges facing businesses and government is the increasing skills shortages in the Australian economy. Increasing women's labour force participation, particularly those with family responsibilities, will be important to addressing this skill shortage. Increasing the quality of part-time work is one step towards retaining a skilled and engaged workforce, while responding to employee's work and family needs.

- 2.20. The *Quality Part Time Work Project* commenced in July 2004 to provide guidance to employers on quality part-time work arrangements. First stage outcomes included an analysis of data concerning part-time work, a review of national and international research and ten best practice industry case studies.
- 2.21. An industry roundtable was held in May 2005 to gain feedback from employer organisations and unions concerning the first stage findings. The next stage includes employer and union agreed industry guidelines on how to improve the quality of part-time work in the hospitality, retail, local government, health and the law industry sectors, as well as recommendations to government, businesses and unions for future action.
- 2.22. Within the Victorian public sector the State Services Authority, which will lead and engage the Victorian public sector in continually improving services, standards, governance and workforce development is also conducting research into Quality Part time Work in the public service. The best practice case studies developed through the Project will endorse and profile good practice within Victorian Public Employment.

Parents Returning to Work Program

- 2.23. Under the *Parents Returning to Work Program* the Victorian Government provides grants of \$1000 for training and education of up to 5000 parents wishing to return to work after 2 years of full time caring for children. In 2003-04, a total of 4,017 grants were taken up by parents undertaking study to facilitate return to work. An evaluation of the pilot year was completed in May 2004. The evaluation indicated that program targets have been met, program management has been effective for all stakeholders, and that the program is achieving its policy aims of increasing work skills and job prospects.
- 2.24. The demand for Parents Returning to Work grants has exceeded the supply, with keen interest from prospective parents. Further grants were released in

January 2005. Partnerships have been developed between the program coordinators (Adult Multicultural Education Services) and training providers such as TAFE institutions, Adult Community Education organisations and private registered training organisations.

The Premiers Children's Advisory Committee

2.25. In 2003, the Premiers Children's Advisory Committee convened to advise the Premier on how well services for children were meeting the needs of families, including the need to balance work and child rearing. The Committee looked across child care, maternal health and parenting services as well as links between maternal and child health services, child care, kindergarten and early school years.

2.26. Implementing the Committee's recommendations, the Premier appointed a new Minister for Children to oversee a new Office for Children within the Department of Human Services. A new expert advisory body the Victorian Children's Council, and a new Child Safety Commissioner were appointed. These changes will provide families with better access to support and learning and developmental programs, more conveniently located services and more involvement in local planning.

2.27. The Government's response to the Committee's recommendations highlights that Victoria is seeking a constructive partnership with the Federal Government for Victorian families, in relation to childcare provision. The report acknowledged the important role that the implementation of Municipal Early Years Plans has played in providing a wealth of information about service needs and gaps across Victoria. Further, the report notes that the Victorian Government will continue to advocate strongly for the Federal Government to meet its responsibilities to provide affordable, accessible and high quality child care for Victorian families and for a more planned approach to service provision.

- 2.28. The Victorian Government is providing stronger support for services that care for children before and after school so that parents can use the services with more confidence. The *Quality in Early Years Service initiative* included training grants for staff and resources such as the Shared Visions for Outside School Hours Care Kit and Food Safety Kit.
- 2.29. The Victorian Government is also funding \$8 million over three years to establish children's centres. These centres will be a one-stop shop for early childhood services with priorities given to communities experiencing disadvantage. To date \$4.7 million has been allocated for the establishment of nineteen children's centres with eleven being located in rural areas.
- 2.30. Raising the community's knowledge and awareness of practical and effective work and family balance strategies is critical to ensuring both business and employee needs are met at the workplace. The Industrial Relations Victoria Work and Family Web Page is a major communication channel between Government and the community. It includes an overview of Victorian Government commitment to work and family balance and practical resources for employers, employees and for those who might wish to return to work after a break from employment. A feedback option incorporated into the site means that visitors can provide comments, ask questions or seek further information. Modifications and updates have been included to ensure the site continues to be a 'living document'

Maternity Leave & Adoption Leave

- 2.31. As a major employer the Victorian Government is taking the lead by strengthening its work and family balance policies and culture and by demonstrating the benefits that flow from adopting family friendly work practices. Work and family balance featured prominently in the negotiation of the Victorian Public Service Agreement in 2004 which extended paid maternity leave and adoption leave for public service employees from 12 to 14 weeks.

Summary

The Victorian Government's approach to progressing the work and family balance agenda has been one of partnership between government, employers and unions. Successful implementation of improved work and family balance at the workplace is predicated on such a partnership approach.

The Victorian Government commends the Commonwealth for undertaking this Inquiry and looks forward to receiving the recommendations of this Committee.