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## **Submission**

**To the House of  
Representatives Standing  
Committee on Family and  
Human Services**

**Inquiry into Work and Family  
Balance**

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**April 2005**

## **INTRODUCTION**

ACTCOSS acknowledges that modern day Canberra has been built on the traditional lands of the Ngunnawal people. We pay our respects to their elders and recognise the displacement and disadvantage they have suffered since European settlement. ACTCOSS celebrates the Ngunnawal's living culture and valuable contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage, and low-income citizens of the Territory. ACTCOSS is a member of the nationwide COSS network, made up of each of the state Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS's objectives are representation of people living with disadvantage, the promotion of equitable social policy, and the development of a professional, cohesive and effective community sector.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the Community Services Program (CSP) which is funded by the ACT Government.

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# ACTCOSS SUBMISSION

To the House of Representative Standing Committee on Family and Human Services Inquiry into Work and Family Balance

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## ABBREVIATIONS

ACOSS	Australian Council of Social Service
ACT	Australian Capital Territory
ACTCOSS	Australian Capital Territory Council of Social Services Inc.
CSP	Community Services Program (ACT)
HILDA	Household, Income and Labour Dynamics in Australia Survey
HREOC	Human Rights and Equal Opportunity Commission
NATSEM	National Centre for Social and Economic Modelling
OECD	Organisation for Economic Cooperation and Development
RDO	Registered Day Off
SCRGSP	Steering Committee for the Review of Government Service Provision

## **Foreword:**

### **'Family'**

In framing the terms of reference, ACTCOSS notes that the Committee has not specified what it means by 'family'. The concept of 'family' is often approached from different perspectives, and, at times, certain groups of people seek to impose a restrictive view of the composition of which groups of people should be considered a family.

ACTCOSS discourages the Committee from taking this approach, and instead advises that the Committee should take a broad view of the differing types of families that exist in contemporary Australia. A family can be considered as a group of people that function as a social unit, and may take a variety of different forms.

For example, there are couple families, single-parent families, extended families, indigenous kinship families, families who care for disabled children (including adult children), families where children care for elderly parents or other relatives, foster families, and families headed by same-sex couples, amongst others (these are not necessary distinct groups, and there may be considerable overlap between descriptions). ACTCOSS advises that it unnecessary and unhelpful to attempt to elevate one type of family over others in the context of formulating social policy.

In the context of an inquiry into work and family balance, a central issue is whether the demands placed on family carers are able to be combined with meaningful economic activity. This capacity should be regardless of family or relationship status, or their relationship to the person they are caring for. For example, the need for assistance to balance work and family are present whether someone is caring for a young child, a severely disabled relative, or an elderly parent suffering dementia.

This means that policies designed to assist combining work and family should not be restricted to parents providing care and support to their biological children, but also to other types of family carers.

### **'Work'**

The Terms of Reference for the inquiry also specify attention to 'returning to the paid workforce'. This makes a number of assumptions about work and employment: specifically that only paid employment is valuable, and that parents (usually mothers) have previously had paid employment before having children. Neither proposition is true.

There are many different types of work performed by people, and paid employment in the labour market is only one type. People also engage in domestic work and household labour, volunteer work in the community and to assist others, and in social and emotional work, but building and strengthening emotional family bonds, and constructing and maintaining social networks of friends and colleagues. These types of work are also valuable, and are fundamental to ensuring the Australian community has a high quality of life. By focussing purely on economic variables, the Committee will potentially miss many important aspects of meaningful work, that deserve equal attention to balance and support from the Government as pure economic exchange.

Furthermore, there are people who become parents before they have made any attachment to the labour force – Australia has one of the higher rates of teenage pregnancy in the OECD. It is not only the needs of parents who are returning to the workforce that need to be considered, but also assisting those who are parents in accessing meaningful and appropriate work in the first place.

### **'Starting a Family'**

The Committee should ensure that it does not implicitly assume that 'starting a family' is a purely economic decision. There is an increasingly propensity in a society that has become progressively more dominated by the interactions of economic markets to begin viewing all human decisions in a purely economic context.

However, the decision to start a family has different meanings for different individuals and groups. For instance, in traditional indigenous cultures, becoming a parent is associated with an increase in social status. For other Australians becoming a parent is linked to developing a strong social bond with another human being, and/or extending a family connection and spirit into another generation.

Children should not be considered to be economic outputs that need to be maximised. The tendency to view children as some type of status symbol or investment good is a simplistic viewpoint that obscures the meaning of a parent-child relationship, and relegates children to being (a rather expensive) consumption good, and parents as simply as consumers of a bought object.

Children should be considered as integral members of our community that deserve the highest quality of living that our society can provide, not as commodities.

## **Providing Basic Human Services allows Equal Choice**

When considering particular areas of social policy, it is often overlooked that more general social considerations need to be addressed before more specific needs can be met. Addressing poverty and disadvantage in general is an important precursor to family formation: individuals who have the resources to control their own lives are best placed to make informed decisions about family.

In particular, providing necessary social services to ensure people are able to find appropriate housing, access high quality education and training, have a good standard of health, manage a disability and have equitable access to information and public services is a first step to ensuring that all Australians are able to have children if they wish.

It is also important to consider that individuals and families need to be supported in different ways throughout their lifetimes, and providing assistance in one phase will generally build an individual's capabilities in negotiating the next. For example, ensuring that young people are able to access affordable education and a reasonable standard of living will help them prepare for becoming parents later in life. Equally, ensuring access to employment throughout adulthood will assist in enabling people to acquire an adequate retirement income.

Furthermore, it needs to be remembered that while some people actively plan the size and timing of their families, many will make these decisions without reference to their standard of living, or indeed become parents through a series of circumstances over which they had limited control. While there is substantial evidence that population fertility rates may be responsive to public policy decisions, provision also needs to be made to ensure that families are supported based on their current needs and situation.

Individuals and families do not exist as stand alone entities; they interact and are sustained by the community activity and social norms around them. By ensuring that Australians have adequate resources and access to services that allow them to fully participate in society, governments allow individuals to make informed decisions about having children, and accessing meaningful employment.

## **Gender and Employment**

The historical social changes that form the background to this discussion have been well-documented. Women's participation in paid employment has been rising steadily over past decades, and is nearing equality with men. However, rising equity in workforce participation has not been matched in rates of pay, or in the level of household work: for instance, the Human Rights and Equal Opportunity Commission (HREOC) reports:

"Family responsibilities are not divided equally among men and women: women do 90% of childcare tasks and 70% of all family work and only 15% of fathers are highly participative in terms of time on family work"

(HREOC, 2005)

This has led to the finding that:

"Evidence from both the U.S. (Varner and Drago, 2001) and from Australia (Barnes, 2001) suggest that many women are increasingly viewing work and family as an "either/or" proposition, therefore delaying or abandoning attempted childbirth in the belief that employment security and promotion opportunities would be endangered following the birth of a child. In both countries, the expectation that men will have careers and families remains intact, and not viewed as a trade-off, but this is not the case for many women."

(Drago *et al.* 2001, p.8)

It is also the case that it is usually prospective mothers who bear the burden of the additional work created by raising the family.

In addition, the casualisation of the workforce, increasing shiftwork, and additional overtime (both paid and unpaid) has resulted in less certainty about the timing or the amount of work that will be required of employees. Many of these phenomena are prevalent in industries where women predominate, such as nursing, cleaning, retail and hospitality. This increase in

"Flexibility in working hours has been accompanied by a drift to less predictable patterns of work hours with practices like hours averaged over extended periods, increased length of shifts and flexibility in start and finish times. Coincidentally there has also been a blurring of the divide between ordinary working hours and overtime with consequent impacts on income. The variability in hours poses a problem for families attempting to organise routine care for dependent children."

(Lee, 2001, p.10)

In particular, the conflict between workplace demands and family responsibilities is currently an impediment to having children, or increasing the number of children in a family.

However, the issue that attracts less attention is the role of men in balancing work and family. While policy proposals that allow women greater freedom and flexibility in combining work and family are certainly part of the solution, the converse side of the equation needs to be examined with the same vigour. Policies designed to assist men in providing a greater share of domestic and caring work are also required for a long-term solution.

## **The Financial Cost Expectations of Prospective Parents**

While the demands of the workplace are a well-documented reason that prospective parents may delay child-rearing or avoid additional children, a further consideration is the expectation of the additional cost burden of raising a family.

Children cost money. It is well-known that children create extra pressures on household budgets, including the costs of larger housing, and additional food and other domestic consumables. But beyond the everyday costs of raising children, over the last decade families have raised their expectations of other costs of raising children.

With an increasing number of children attending private schools, and increasing public debate about the funding arrangements for public schools, many prospective parents may believe that any children they have may need to attend an expensive private school, as they observe that the extensive resourcing and support public schooling has received in the past may not continue into the future. Similarly, there has been a move towards greater adoption of private health insurance, with a perceived deterioration in the quality of public health services and reductions in the availability of primary health care. If parents considering having children believe that they may not only need to provide secure housing and nutrition, but must also bear the costs of an expensive private education and rapidly rising private health care costs, they will continue to delay or even cancel plans to start a family.

If governments wish to support those who wish to have children they need to ensure that there is public confidence and a high level of resources in publicly provided education and healthcare.

It is also clear that families with children are increasingly likely to fall into poverty. Australians will continue to delay or abandon plans to have children if they believe that the possibility of unemployment or disability will push their family into poverty. The Australian Government needs to improve social income support and the provision of human services to ensure that Australians can be confident that their planned families will still be able to manage in the face of misfortune.

## **The Perceived Social Costs of Children**

In addition to the financial costs associated with parenting, prospective parents also face social costs to their quality of life, and in particular, their ability to enjoy personal time, easy mobility, independence and maintain social relationships. Prospective parents face the likely possibility that they will have to increasingly rely on others, including family, friends and support agencies for assistance in managing their family, time, and employment commitments.



Children, particularly very young children, need constant supervision. Parents need to constantly be in the presence or close by to children: this can restrict a parent's ability to travel easily; and can impinge on the ability to maintain social relationships. It can also impede the ability to participate in community events and social activities.

Finally, the presence of children in a family can reduce parents' ability to access further education, and, particularly where parents use family-friendly provisions in the workplace, such as part-time work, can restrict promotion possibilities in the future. As Pocock has previously noted:

"The fact is that under current arrangements we marginalize the care givers, and social and economic exclusion is the price that many carers pay"

(Pocock, 2002, p3)

### **Families without Work**

Much of the discussion revolving around work and family balance has been trying to reconcile the needs of parents who already work.

However, as Lee notes:

"The provision of secure employment and adequate income are seldom explicitly mentioned in discussions of family friendly working arrangements. Yet for the majority of families earned income is the principal source of family income and earned income is consequent on wage rates and hours worked."

(Lee, 2001, p.9)

This observation highlights the requirement for governments to recognise the need of family carers to be able to participate in meaningful employment.

According to ACOSS, "Households where no one is employed make up 56% of people below income poverty thresholds" (ACOSS, 2003, p12). In contrast, families that have at least one full-time earner have the lowest risk of poverty (Ibid. p.84). Similarly, a recent NATSEM study indicates that families where the status of the labour force status of head is either not in the labour force or unemployed make up over 70% of families in the bottom 20% of incomes (McNamara et al. 2004).

Another NATSEM report, that documents a longitudinal study over several years examining movement in and out of poverty, shows that a "difference between the persistently poor and those poor in only [for a short time] is that the former are over-represented in families where one or both parents are not working" (Abello and Harding, 2004, p27). Not having access to employment also increases the risk of children to falling into poverty: 15% of children lived in jobless households in 1999 (860,000 children) ... [and the] proportion of families with no parent employed rose from 11.2% in 1979 to 16.8% in 1995 (ACOSS, 2003, p34).

There is a wealth of data showing that parents not in employment and their children are at greater risk of poverty. It reasonably follows that allowing families where no one is working to gain better access to meaningful work is an essential step in alleviating Australian poverty. A report commissioned by the Victorian Government summarises the policy implications neatly:

“The central policy challenge is to remove or ameliorate the disadvantages and discrimination that affect certain groups of workers as a result of their caring responsibilities, for example to remove the risks of labour market detachment and all its associated consequences (atrophy of skills, threat of poverty and inadequate retirement income)”.

(Charlesworth *et al.* 2002, p.15)

While much of the research concentrates on families with dependent children, the same problems are faced by families caring for other dependent, including people with disabilities or elderly parents. The policy implications are likely to be similar for all family carers.

### **Sole Parent Families**

Sole parent families are in particular need of assistance with balancing work and family demands. NATSEM modeling has demonstrated that sole parent families are more likely to be in the lowest income grouping, “making up almost half the families in the bottom quintile, compared with one-quarter of all families” (McNamara *et al.* 2004, p4). Another study found that sole parent families were more likely to be persistently poor compared to couple families (Abello and Harding, 2004). Furthermore, the situation appears to be getting worse over the last decade, with 47.9% of sole parent families in the bottom quintile in 2004-05, compared with 36.6 in 1997-98 (McNamara *et al.* 2004).

The Australian Institute of Families Studies completed a study examining the workforce participation of female sole-parents and couple mothers (i.e. partnered women with children), and noted that lone mothers have had a decreased participation in full-time work over the last two decades, while the participation of couple mothers has increased. It also found that the gap in unemployment rates of single mothers and couple mothers has also widened, with lone mothers being increasingly more likely to be unemployed than their partnered counterparts.

The study also highlighted some factors which correlated with higher employment. In particular, “For both lone and couple mothers, the rate of full-time employment increases as the level of educational attainment increases. Similarly, the rate of part-time employment for both lone and couple mothers is estimated to increase as the level of educational attainment increases” (Gray *et al.* 2003, p12). The study also noted that better employment outcomes were correlated with a better command of English and owning or purchasing a home.

Moreover, the authors noted that:

"According to the HILDA data, of the lone mothers who are employed part-time, 19.7 per cent would prefer to be working full-time as compared to just 7.6 per cent of couple mothers".

(Gray *et al.* 2003, p17)

The fact that single parent families are in greatest need of assistance with balancing work and family life has important policy implications. ACOSS states that:

"Australia also has a relatively high proportion of sole parent families at risk of poverty due to social security relativities that, in contrast with overseas systems, strongly favour couples with children relative to sole parents, and the relatively high rate of unemployment among sole parents. Further education and training are key factors of overcoming the employment barriers for this group, borne out by the fact that sole parents show greater interest in and benefit more from such assistance than other groups of jobless people."

(ACOSS, 2003, p16)

### **Changing the Workplace**

Many of the proposals that have been suggested by researchers to assist in balancing work and family are alterations to workplace practices. ACTCOSS believes that employers have a responsibility to ensure that they provide equal opportunity for employment, and that this should extend to providing a workplace that allows parents and carers to balance work and family life.

Lee summarises the current situation thus:

"Provisions, like maternity leave and job-sharing, to assist transition between employment states such as not-in-the-labour force to employed and from part-time to full-time employment, are limited. The present system relies on awards, enterprise agreements, and company policies to secure benefits for employees. Yet reliance on these mechanisms results in uneven dispersion of entitlements and leaves some families with no paid leave provisions at all. There is thus a case for greater government leadership and involvement in legislating worker entitlements and in assisting with subsidized child care services"

(Lee, 2001, p17)

Similarly, the Report commissioned by the Victorian Government makes a comparable argument:

"Leaving the problem to individual workplaces cannot provide a solution. Workplaces must be at the centre of any change, and some initiatives can start at the workplace. But government action is needed to generalize change to all workers, and spread the costs and benefits of change, and to ensure that solutions are well-designed and integrated with the resources of the community"

(Charlesworth *et al.* 2002, p12)

In addition, it is also true that some family-friendly policies can have positive impacts on businesses. For example, AMP "believes that it has achieved a 400% return on investment in making their workplace more family friendly" (OECD, 2002). However, as the OECD Report on Work and Family explains:

"Some family-friendly policies are advantageous to both employer and employee, or do not involve direct costs on the employer (e.g. flextime). There is a mild paradox in this area, namely that some companies which have introduced such practices (and some of those who study the topic) report extraordinarily high returns to the policies, yet the coverage of many schemes is at best patchy, even low."

(OECD, 2002, p16)

There are many suggestions about appropriate mechanisms to allow workplaces to allow employees to balance their family commitments. These include:

- Paid maternity leave
- Part-time work
- Job-sharing
- Home-based work
- Compressed working week
- Onsite childcare or childcare assistance
- Flexible start and finish times
- Flextime, make-up time and banking/accrual of RDOs
- Family Leave and single days of annual leave
- Internal training and seminars for managers and employees on work and family management

ACTCOSS notes that community sector organisations are often good examples of family-friendly workplaces, as they often employ a high percentage of women and are frequently more informed of the need to balance work with other areas of life.

This submission will not go into these issues in detail, but generally commends the propositions as positive and useful ideas in furthering the ability for men and women to balance work and family. ACTCOSS also encourages these provisions to be applied to all carers, and not just parents. However, governments cannot simply hope that existing industrial relations arrangements will resolve these issues alone. Government regulation and resourcing will be required to ensure that all Australian families are able to manage their family commitments while working.

### **Childcare and Respite Care**

The provision of childcare continues to be an important element of assisting work family balance, although it should not be considered a solution in isolation, and in particular, needs to be accompanied by a range of other human services to be effective, especially for low-income and disadvantaged families.

In term of childcare, government should focus on funding and allocating additional childcare places for those in greatest need. The Steering Committee for the Review of Government Service Provision (SCRGSP) reports that "Additional services were required ... for approximately 174 500 children aged under 12 years". They also report that work-related reasons were the most common reason cited for needing additional childcare places, and that the most common reason for not being able to access childcare was lack of available places (SCRGSP, 2005).

Furthermore, childcare is becoming increasingly unaffordable: "In the 12 months from September 2003 to September 2004, the cost of child care for Australian families increased by 10.3%, second only to automotive fuel, which increased by 12.0%" (Cassells *et al.* 2005).

Numerous sources identify particular groups in need of additional childcare support. A NATSEM study reports that families with under-school-age children have more problems than those with children of school age, and also that lone parents have more difficulties with childcare arrangements than couple families (Cassells *et al.* 2005).

Childcare provision needs to be extended by the Australian Government, particularly to low income and single parent families. In addition, State and Territory Governments need to consider extending preschool services.

The need for outside family care is not confined to families with children. Other carers also need to be able to balance work and family commitments, including home and external respite care to allow carers to maintain paid employment and reduce their risk of poverty.

### **Taxation and Government Benefits**

The Committee has indicated it is interested in taxation matters. ACTCOSS notes that the level of average taxation does little to affect the fertility rate of the population. In fact OECD countries with the highest fertility levels and the highest participation of women in the workforce (such as Sweden and Denmark) are also among the highest taxing countries.

There is virtually no evidence to suggest that lowering the overall level of income taxation will increase the ability of parents to balance work and family. In fact, by putting pressure on Government to reduce spending or curtail expenditure growth, reducing taxes may in fact make it more difficult for families to balance work with domestic demands, as Governments will be able to provide fewer services to assist families with pressing needs such as childcare, housing and crisis support.

Rather than cutting taxes, ACTCOSS recommends that Government favours providing additional services and benefits to support families in their choices. In particular, ACTCOSS supports ACOSS' recommendation that:

**"Child and Youth payments should be adequate to meet the minimum direct costs of raising a child in order to prevent child poverty. As a first step: payments should be increased to properly reflect the rise in the cost of children as they grow older; and a supplement should be introduced to recognize the extra cost of raising a child alone or in two households."**

**(ACOSS, 2003, p20)**

## **Closing Comments**

The problems in balancing work and family will necessarily involve wide-ranging programs and strategies to address the issues on a number of fronts. This will take Government resolve, resourcing and co-ordination across a number of portfolios.

Furthermore, Governments need to approach the issue of work-family balance within a wider context. People who are able to afford adequate housing, receive social assistance to cope with difficulties, obtain free or low cost education and health care, and have the ability to participate fully in their communities will then be able to maintain secure paid employment and raise a family. Without the social support and interaction that all human beings require to feel included in their society, the ability to preserve employment and start a family will always be comprised.

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