

SUBMISSION

from

Queensland Government

to

**Standing Committee on
Family and Human
Services**

on

**Work and Family
Balance**

Submission to the Federal Inquiry into Work and Family Balance

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Executive summary

Parliamentary Inquiry into work and family balance

Submission to the Federal Inquiry into work and family balance

Australia, like many other western countries, is facing a decline in labour force growth over the next five decades. This decline is related to the projected decline in population growth, specifically growth in the working-age population, as well as a projected decline in the labour force participation rate.

The projected decline in population growth is related to a decline in fertility rates. Falling fertility rates in Australia (and elsewhere) are associated with the increased age at which women have their first child and hence the fewer children per woman, on average. The low fertility rate means that the proportion of younger age groups in the population decreases with the result that the population becomes concentrated in the older age groups, referred to as the ageing of the population.

While women have increased their participation in the labour market representing 56 per cent of all Australian women in 2003, women with children under 15 represent only 30 per cent of working women (ABS 2003b). Consequently, enhancing the workforce participation of mothers will be a crucial strategy for government and employers in reversing the projected decline in labour force growth.

The Queensland Government has made significant contributions through legislation, policy initiatives and programs to support women to increase their participation in the workforce as parents and to support parents in balancing their work and family commitments.

The Standing Committee on Family and Human Services has requested submissions by **8 April 2005** on how Government can help families juggle their work and family needs. It will look at:

1. financial, career and social disincentives to starting families
2. easing parents' return to the paid workforce
3. effects of tax and other factors on families' work and family balance.

1 POPULATION AND LABOUR FORCE PROJECTIONS

In Australia and many other western countries, the composition of the paid workforce has changed significantly over the past five decades because of major social, cultural and economic transformations. One of the major challenges facing Queensland and Australia over the next five decades is the projected decline in labour force growth. In the present decade (2001-2011), the Queensland labour force is projected to grow only by an average of 1.63 per cent per annum, compared with 3.43 per cent per annum from 1981-1991 and 2.62 per cent per annum from 1991-2001. A further forty years out (2041-

2051) the average annual growth is expected to have slowed down to 0.61 per cent (Kinnaird & Associates 2002). The projected decline in labour force growth is related to the projected decline in the growth rate of the Queensland and Australian populations over the next five decades which is linked to the long-term decline in the fertility rate. The consequence of this decline is a significant ageing of the Queensland and Australian populations (Submission to Inquiry into Employment 2003).

The ageing of the population and its effect on the labour force is well documented in a recent report by the Australian Government's Productivity Commission (2004) which states, "one-quarter of Australians will be aged 65 years or more by 2044-45, roughly double the present proportion."

ABS data¹ shows a sharp decline in fertility rates of women in the 20-24 and 25-29 age groups (Kinnaird & Associates 2002). Research shows that women who were 21-29 years of age in 1981 had 1.3 children on average compared to 0.8 children born to women of the same age in 2001 (Campbell & Charlesworth 2004).

Women in Australia (2004) published by the Australian Government, supports this fertility profile and states that "*Births Australia 2002* reported that the median age of all women giving birth was 30.2 years, the highest on record. Additionally, fathers have aged as well, the median age rising to 32.5 years in 2002."

1.1 Factors associated with population decline

1.1.1 Cost to women of leaving the workforce

There has been a significant increase in the participation of women in the labour force (Profile of Queensland Women: A statistical snapshot 2004). Women now make up almost half of the Australian workforce. Over the course of the past thirty years, Australian women have increased their workforce participation rate from 37.1 per cent in 1971 to 55.5 per cent in June 2004. For women in the main childbearing years (25-34), the participation rate increased from 50 per cent in 1990 to 71 per cent in 2004 (ABS 2004).

A Time to Value, Human Rights and Equal Opportunity Commission's (HREOC) (2002) report on paid maternity leave, states that "women with a degree have a full time employment-population ratio that is about two times larger than women who left school at 15 years of age and subsequently have not obtained a qualification."

Consequently, as Kinnaird (2002) argues, women's fertility decisions are affected by "the rising cost to women of withdrawing from the workforce to bear or rear a child, relative to previous generations. This cost includes both income losses and career and other opportunity costs."

¹ Australian Social Trends

Queensland Government initiatives

The Queensland Government, in its submission to HREOC's (2002) inquiry into paid maternity leave "*Valuing Parenthood: Options for Paid Maternity Leave*" supported the provision of paid maternity leave and submitted that it was a commonwealth responsibility. The Queensland Government's submission argued that:

"the Commonwealth should introduce a system of paid maternity leave, to be paid at the level of the federal minimum wage."

As a major employer, the Queensland Government provides six weeks paid maternity leave and access to unpaid parental leave and pro-rata long service leave for parental purposes.

1.1.2 Job insecurity

Another trend affecting the decline in fertility rates is the deregulation of the labour market resulting in declining job certainty and the casualisation of the workforce, which together with the economic impact of the rising cost of home ownership and other costs, such as the increase in Higher Education Contribution Scheme (HECS) debt, has a flow-on effect for families and family formation.

Job security in Australia has declined over the past decade. The increase of casual work as a proportion of total employment rose by 69 per cent between 1988 and 1998. Data from the Australian Bureau of Statistics (ABS) from August 2001 indicated that workers without leave entitlements comprised 27 per cent of all full time and part time employment (ABS 2001b). The ABS estimates that only 54.6 per cent of female employees and 55.3 per cent of male employees are now permanent.

HREOC (2002) points out in *A Time to Value* that in addition to the decline in permanency, a significant proportion of the workforce is in a job for a relatively short period. The report quotes ABS (1998) data which indicates that a total of 42 per cent of the Australian workforce had been working for an employer for less than two years.

"In 2000, almost one in four of those aged 25-34 had changed employer within the previous 12 months, compared with 10 per cent of 35-44 year olds and even fewer in older age groups. Female employees of child bearing age also have shorter periods of continuous employment, with 45.9 per cent of those aged 20-24 and 27.9 per cent of those aged 25-34 having worked in the same job for less than one year" (HREOC 2002)

Queensland Government initiatives

In recognising the barriers to family formation for casual workers, the Queensland Government amended the *Industrial Relations Act 1999* to introduce the right of long term casual employees, employed on a regular and

systematic basis for at least one year with the same employer, to access unpaid parental leave.

1.1.3 Increased costs of housing and incurred debt (HECS)

A decline in job security and permanent work has also reduced the capacity for people of a child bearing age to access the housing market. According to a report authored by the National Centre for Social and Economic Modelling (NATSEM) (2003), home ownership has declined particularly among people aged between 25 to 39 years old.

The report states that “if we compare the 1999 home ownership rates of 25 to 39 year olds with the same age group years previously, we see a significant shift from home ownership to renting. In 1989, 64 per cent of all 25 to 39 year olds were outright home owners or home buyers... Ten years later, this [was] down to 54 per cent” (NATSEM 2003).

HREOC makes the following assessment, “access to housing finance is more difficult and expensive for those without permanent work, suggesting that for younger age groups, home ownership, with its implications for family formation, is likely to be problematic.”

Dr Natalie Jackson of the University of Tasmania has conducted research into the effects of the Higher Education Contribution Scheme (HECS) on the family and has concluded that there is a strong impact on fertility rates. Dr Jackson notes that typically, repayment of HECS occurs during childbearing years, and this causes students to delay starting a family and therefore reduces the number of children they might have been willing to have, which in turn affects population growth (Armstrong 2004).

1.1.4 Impact of education and training

Recent research has found that higher education and full-time employment are associated with lower fertility. Researchers state that the period after full-time education is an important influence on fertility, where substantial childbearing occurs on average only after 10 years of leaving full-time education (Tefaghiouhis 2004).

An analysis of occupation and fertility indicated that fertility was lowest among the science, business and information professionals with lower fertility among health and education professionals, associate professionals and tradespersons. These findings could reflect current practices, such as long hours of work, operating within these occupations which act as disincentives to family formation for female and male employees.

The research also contends that the opportunity cost of having children will be higher to these women in terms of lost earnings and career progression. The analysis found that women employed full-time had higher education levels than those employed part-time or in other labour force statuses.

On the other hand qualifications are clearly an important strategy in fostering maximum participation of women in the workforce. Research indicates that for both males and females, a higher level of education has a favourable impact on employment-to-population rates. This impact occurs at the higher-level qualifications of Certificate III and above (Karmel & Woods 2004).

Queensland Government initiatives

The Department of Employment and Training (DET) focuses on providing all Queenslanders with maximum opportunities to participate in the workforce. In terms of enhancing outcomes for women and other groups, the strategies include:

- supporting people to make good decisions about career and training, and recognising the skills they have acquired over a wide range of contexts.
- ensuring that TAFE institutes and other public Vocational Education and Training (VET) providers are able to provide leading edge training services that place the student at the centre of the training system.

1.1.5 Reversing population decline

Some commentators argue that the era of job insecurity has been accompanied by a strong economic cycle of 'booms and busts' and rising or fluctuating housing prices which lead young adults to invest in education and career development and also encourage couples to maintain dual incomes.

Macdonald (2001b) states that "falls in the rates of first birth at ages less than 30 years are related to the uncertain situation faced by young people in the competitive labour markets of today. This uncertainty requires young people to invest in their own human capital with longer years spent in education and the full time labour force before having a child can be contemplated."

"If young people have the confidence that having the first child will not destroy their future situation in the labour market, they may be ready to have the child. This requires that they have an impression, that in their future, the society will support their choice to have children while allowing them to continue to pursue their occupation".

Reversing the projected decline in population growth and its associated decline in labour force growth relies strongly on the interventions of Government, employers and the community to assist young Australians to combine the responsibilities of parenthood with participation in the labour force.

Queensland Government initiatives

The Queensland Government has established a Work and Family Unit to provide information, resources and research which assists businesses and industry to recognise and address the needs of employees with family responsibilities.

As a major employer, the Queensland Government has introduced a work and family package for their own employees.

2 ISSUES FOR GOVERNMENT

2.1 Changes in labour force participation

According to Kinnaird and Associates (2002), the Queensland labour force grew by around 40,000 per year on average between 1980-2000 but will fall to around 29,000 per year between 2001-2021, with some 11,000 fewer people joining the workforce. Labour force growth slows even further from 2021 to 2041, from an annualised rate of 1.36 per cent to only 0.78 per cent per annum.

Therefore, increasing and retaining female participation rates in the workforce is an essential element in labour force projections. According to the demographic projections in Kinnaird and Associates (2002), the extent of the slowdown in workforce growth will be determined by future trends in labour force participation by women.

However, while women comprise 44.9 per cent of employed persons in Queensland, they supply only 37.7 per cent of the hours worked. With the projected decrease in labour supply as a result of a decline in labour force growth, there is clearly the capacity for women to increase their working hours (ABS 2005).

The average participation rate of women in couple relationships with a youngest child under the age of 20 (64.8 per cent) hides a high degree of variability in participation. For women in couple relationships with a youngest child under 5 years of age, the labour force participation rate is significantly lower than the average at 51.4 per cent (ABS Census 2001c).

This rate rises dramatically to 69.7 per cent where the youngest child is five to nine years old. Where the youngest child is 10 to 14 years the participation rate is 76.0 per cent and for women with a youngest child 15 to 19 years it is only marginally higher at 77.8 per cent (Submission to Inquiry into Employment 2003).

Compared to mothers in couple relationships, lone mothers have substantially lower rates of employment.² When the youngest child is between zero and four years the employment rate for lone mothers and couple mothers is 29.7 per cent and 48.1, respectively. However, when the youngest child is aged 15 to 19 years, the difference is much smaller with employment rates of 68.0 and 75.2 per cent, respectively (Gray et al. 2002).

² We focus here on employment rates rather than participation rates because lone parents are much more likely to be looking for work and so be recorded as unemployed (thus distorting their participation rates) compared to couple parents who are less likely to look for work if they think none is available that is, more likely to be discouraged workers and thus not in the labour force.

Consequently a major aspect in encouraging parents to participate in the workforce is not only about increasing the number of jobs but about increasing the part-time hours for the 22 per cent of part-time workers, both men and women who indicate that they wanted to work more hours (ABS 2002b).

Queensland Government initiatives

The ***Back to Work: Parents and Carers*** program an initiative of the Department of Employment and Training, is designed to provide a wide range of customised pre-employment and training assistance, to help eligible parents and carers who are ready to re-enter the workforce or are entering for the first time.

2.2 Importance of work and family strategies to improve labour market participation

International research has shown that where the most developed family leave and childcare arrangements exist, women's employment rates are higher. For example, the OECD Employment Outlook for June 2001 showed a strong correlation between a composite index of policies and practices that encourage work and family balance and the employment of women aged 30 to 34 years of age. Countries with the highest composite index recorded the highest employment rates for women in this age group. Based on this composite index, the employment rate for this group of women in Australia was just below 65 per cent, which was lower than the rates for women of the same age group in the UK, Germany, the Netherlands, Sweden and Denmark (OECD 2001).

The capacity for work and family strategies to have a positive effect on labour force participation highlights the importance of the work and family balance in providing benefits across the spectrum – for employees and their families, for employers, and for the broader economy and society.

2.3 What has been achieved so far in Legislation and at enterprise level

2.3.1 Queensland

In **Queensland**, in addition to the Parental Leave Award, amendments aimed at assisting workers to balance work and family commitments have been introduced under the *Industrial Relations Act 1999* and include:

- the right of long term casual employees, employed on a regular and systematic basis for at least one year with the same employer, to access unpaid parental leave;
- the extension of the definition of spouse to include a same sex spouse;
- the subsequent reduction of the two year qualification period for casuals to access unpaid maternity leave to 12 months and the expansion of the entitlement to provide unpaid maternity, paternity and adoption leave;

- the extension of unpaid carer's leave to casuals with at least 12 months service to enable them to use five days unpaid leave per year to care for members of the immediate family or household who are ill; and
- the extension of unpaid bereavement leave of two days, to casuals with 12 months service.

The *Anti-Discrimination Act 1991* was amended in March 2003 to include family responsibilities as a prohibited ground of discrimination in the workplace and to extend coverage for breast-feeding mothers.

2.3.2 Federal

Minimum wage

One of the most important mechanisms for maintaining standards of living for families is the power of the Australian Industrial Relations Commission (AIRC) to hear cases and to make decisions about the minimum wage. Ever since the Harvester Judgement in 1907 established the principle that the basic wage should include cost of living calculations for wage earner and family, the regular adjustment of the minimum wage by the AIRC has provided significant protection of family incomes.

The AIRC has a proven record of carefully balancing submissions from all the parties, including the federal government, state governments, employer and employee associations, and economists, and delivering a genuine safety net for workers and their families who rely on awards for their minimum pay and conditions.

The Commonwealth Government's stated intention is to radically alter the way that the minimum wage is set. This step has the potential to be damaging for wage earners and their families. For example, if the federal Government's submissions to the National Wage Cases since it came to power had been successful, wage earners on the Minimum Wage would now be \$40 a week worse off (i.e they would be on \$427.40 a week, as opposed to \$467.40 a week). In addition, the federal Workplace Relations Minister has stated that the minimum wage, at \$467.40 a week, is \$70 a week too high.

The Queensland government believes that the minimum wage should provide a fair living wage that is also an incentive to work and allows families to survive. Queensland Government submissions to the National Wage case have supported a fair and reasonable wage increase based on a reasonable assessment of cost of living and productivity increases over the period.

2.3.3 International

In **Sweden**, parents have generous maternity, parental and child rearing leave benefits and mothers with young children can work reduced hours in their current job. In the **Netherlands** the *Adjustment of Hours Act* has been introduced to allow employees to work reduced hours in their current job provided that it does not impose undue hardship on the employer. In

Denmark employees also have access to generous parental leave entitlements. The **United Kingdom** gives eligible employees with children under six and employees with disabled children under 18, the right to request flexible work arrangements, including hours, times and place of work. Employers have a statutory duty to seriously consider such requests.

Some **European** countries have introduced a national reduction in standard working hours with increased productivity being taken as reduced hours rather than increased salary; annual leave schemes whereby people 'purchase' additional leave through taking a reduction in salary; or arrangements such as a four-day week or long periods of leave, without pay, with income spread over the whole period.

2.3.4 Queensland Government Work and Family initiatives

The Queensland Government recognises the complex interplay between work and family lives and has made a number of commitments aimed at helping Queenslanders balance work and family, including the establishment of a Work and Family Unit, research projects on work and family issues, and the introduction of a work and family legislative package for casual employees in 2001.

The **Work and Family Unit** is currently involved in a number of major research projects.

The *Work and Family Project – Pilot Program* is a collaboration between the Department of Industrial Relations and the University of Queensland and involves the development of a self-assessment measure to evaluate the 'work-life balance' policies and practices of workplaces.

In 2004 the department joined as an industry partner in another project, called *Parental leave in Australia: access, utilisation and efficacy*, which is led by the University of Queensland and the University of Sydney. The primary aims of the project are to inform policy development and theoretical debate on the issues of parental leave by filling gaps in knowledge about usage, the preferences of women and men combining work and family responsibilities, and the shaping of options and choices in workplace and household contexts.

The Work and Family unit is also currently developing a *Community Education Strategy* on how to balance work, family and lifestyle responsibilities. The strategy will provide information on balancing work and family responsibilities targeting different stakeholders in the community, including business, workers and their families.

2.3.5 Work and family initiatives in enterprise and individual bargaining

An analysis of family-friendly provisions in Queensland and Federal enterprise agreements shows the limitations of certified agreements in delivering outcomes for family needs. The analysis reveals that many enterprise

bargaining agreements fail to innovate beyond the minimum conditions as required by legislation (ACIRRT 2002).

Research carried out by the University of Queensland however, has shown that Australian Workplace Agreements (AWAs) contain fewer family friendly provisions than collective agreements. Of the 2379 collective agreements analysed, 13.5 per cent made reference to one or more work/family provisions while only 11.6 per cent of the 889 AWAs did so (Whitehouse 2001).

Additionally employee complaints and audit activities have revealed many cases of exploitation to the Queensland Inspectorate regarding AWAs. These complaints have revealed that some AWAs provide for "set rates" which include components for all paid leave. These "set rates" defeat the purpose of the provision of paid leave, allowances and benefits in legislation, particularly in aiding families to balance their work, family and leisure commitments and often are not high enough to compensate for all forfeited benefits.

3 BARRIERS TO FAMILY GROWTH AND PARTICIPATION IN THE WORKFORCE

International comparisons reveal a low level of workforce involvement among Australian mothers. Of Australian women with two or more children, only 43 per cent are in the workforce, compared with 82 per cent in Sweden and 62 per cent in the UK (Lee 2004).

Due to the competing pressures women face as primary care givers, a number of policies are capable of affecting female labour force participation, including family taxation, childcare subsidies, child benefit, parental leave, flexible working arrangements and anti-discrimination laws. Other matters such as the welfare system, availability of informal modes of care and even school hours can have indirect impacts on the capacity for mothers to work (Jaumotte 2003).

3.1 *Impact of income support and tax benefits*

The Commonwealth Government provides a range of income support and tax benefits including **Family Tax Benefits Part A and B** and a **universal Maternity Payment**. While the maternity payment of \$3000, increased to \$3042 in September 2004, is not means tested and is available to all mothers, Family Tax Benefits Part A is means tested on the basis of family income and Part B is income tested on the basis of the second income earner.

However, HREOC (*A Time to Value* 2002) argues that income support payments which are subject to an income and assets test, restrict the number of women who can access this payment. In addition, the targeting of payments at single income families by penalising families with a second income earner as in Family Tax Benefit Part B, effectively means that women cannot return to paid work and receive this payment.

According to researchers from Melbourne Institute of Applied Economic and Social Research, “if the Government had structured its changes to family payments differently and introduced a ‘working tax benefit’ aimed at rewarding the move from welfare to work, it could have increased labour supply by about 94,000” (Buddelmeyer, Dawkins and Kalb 2004).

McDonald and Kippen (2004) regarded income tax reform as an ‘unfinished agenda’ with concerns at both ends of the income distribution. They advocate raising the level at which income tax must be paid from the current level of \$6,000 to \$10,000 and suggest lowering the top marginal tax rate from 47 per cent to 42 per cent (Family Matters 2004).

This argument has been strengthened further by the release of the OECD report on *Taxing Wages* stating that the average Australian worker supporting a family of two children on one income, has the second-highest marginal tax rate in the developed world. The OECD (2004) report called for Australia to tackle the way taxes discourage people returning to work.

Despite some inaccuracies in the OECD report due to the inclusion of state payroll taxes in one of 50 tables, the *Australian* (2005) supports the OECD report’s concern about “the way our welfare payments and family benefits scale down as those receiving them re-enter the workforce or increase their work participation, resulting in effective marginal tax rates as high as 90 cents in every dollar earned.”

The *Australian* continues, “the OECD confirms that it is the less affluent Australians – those with a mixture of welfare payments and earned income-who have suffered the biggest average tax increases since 1996.”

3.2 Costs of and demands for child care arrangements

ABS statistics confirm that the use by Australian families of formal child care is usually for a period of less than 20 hours per week. This data indicates that families are using formal child care for part of the week and other caring options for the rest of the week, which impacts on the way that parents structure their working arrangements, including arrangements for collecting children from child care (ABS 2003c).

ABS statistics also show that the percentage of all children aged under three in formal care was 25.2 per cent in 2002, up from 22.3 per cent in 1999. This compares with 36.9 per cent of children under three using informal care, down from 43 per cent in 1999. In contrast, the percentage of children aged three to four using formal care was 72.8 per cent in 2002, up from 65.7 per cent in 1999 (ABS 2003c).

Demand for more formal child care in Queensland is strong, with 38,700 children requiring additional formal care in 2002. The parents of 48.5 per cent of these children need extra formal care for work-related reasons. The greatest demand is care for children aged under three (*Profile of Queensland Women: A statistical snapshot* 2004).

Because the federal Government provides a rebate for all families to access up to 20 hours a week for approved or registered childcare, there is some indication that the use of formal child care services for non-work-related reasons is increasing (ABS 2002b) which reduces access to child care places by working parents (*The Australian* 2005).

In addition, whilst welcoming any additional assistance for working families, commentators are concerned that the federal Government's new 30 per cent tax rebate on families' out-of-pocket child care costs for children in approved care, introduced in January 2005, will encourage child care providers to raise their costs in response to the rebate. Professor Peter McDonald states that it is 'inevitable' that centres will put their prices up once the uncapped tax rebate comes into effect (Marriner 2004; *Family Matters* 2004).

Queensland Government initiatives

At last year's Commonwealth, States, Territories and New Zealand Ministers' Conference on the Status of Women (MINCO), the Queensland Government, through the Minister for Women, presented an agenda item calling on the Federal Government to direct the Productivity Commission to conduct a national inquiry into child care. The meeting endorsed the recommendation and in August 2004 correspondence reflecting MINCO's resolution was sent to the Federal Treasurer.

The Queensland Government recognises that child care services are now an integral part of contemporary family life and is committed to ensuring that children in child care are safe, that policies across government are coordinated and that child care services are better integrated to meet the changing needs of Queensland's children and families.

The Queensland Government's Department of Communities has developed a range of key child care initiatives:

- *The Child Care Act 2002 and Child Care Regulation 2003*
- *Queensland Child Care and Family Support Hubs*
- *Statewide Training Strategy and Statewide Training Plan*
- *The Remote Area Aboriginal and Torres Strait Islander Child Care*
- *School age care.*

There is pressure on governments to address demands for service provision of child care and family support in areas of market failure and social disadvantage. Ongoing demand for child care for children under three years of age affects parents' ability and confidence to return to work by reducing their genuine choice in meeting their child care needs.

3.3 *Impact of longer hours of work*

According to researchers, Australian workers are increasingly working long hours in comparison with employees in other OECD nations (Pocock 2001).

Data from the August 2001 Labour Force Survey shows that almost 19 per cent of all employed persons, and just under 27 per cent of all persons usually working 35 hours or more, regularly worked 49 hours or more per week (Wooden & Loundes 2002). In contrast, in the analysis of the first wave of the Household, Income and Labour Dynamics in Australia (HILDA) Survey, Wooden (2004) presents the comparable percentages as 23 and 32, respectively. He states that the reasons for the difference are unclear, although the HILDA Survey, for example, specifically prompted respondents to include both paid and unpaid overtime.

According to Wooden (2004), these long hours are often inconsistent with worker preferences and appear to contribute negatively to overall worker well-being. Moreover, a comparison with data from the employee component of the 1995 Australian Workplace Industrial Relations Survey (AWIRS), suggests that the gap between actual hours and desired hours has intensified since the mid-1990s.

In July 2002, the Australian Industrial Relations Commission (AIRC) found in its decision in the Reasonable Hours Test case that hours and patterns of work have changed significantly in Australia over recent decades, with an increase in weekly hours for full-time workers. Longer working hours and work intensification can create negative consequences for families, relationships and the broader community (Premier's Policy Scan 2003).

The Queensland Government also, in its supplementary submission to the Reasonable Hours Case Test Case, outlined the current state of working time arrangements in Queensland and highlighted the negative impact that long working hours can have on family and community life, productivity and health and safety.

Queensland Government initiatives

The Queensland Government has policies aimed at addressing the hours that an employee must be in attendance at work which include:

- flexible work practices policies
- accrued time arrangements
- extra leave for proportionate salary policy
- half pay long service leave policy
- parental leave policy
- telecommuting resource kit.

3.4 *Men's contribution to work and family balance*

HREOC (2004), in its snapshot of work and family issues in *Striking the Balance*, argues that more attention must be paid to increasing the

contribution of men to balancing work and family responsibilities in order to increase workplace participation by women with children.

The Commonwealth of Australia's Background Report to the OECD (2002) noted that "on the whole, Australian mothers have made most of the adjustments to reconcile work and family responsibilities. They are increasing their lifetime attachment to the labour force, lowering fertility, postponing childbirth and managing the rearing of younger children with a combination of periods out of the labour force and the considered use of part-time work. The number of men making use of workplace flexibility is rising but remains small".

HREOC (2004) in *Striking the Balance*, identifies some of the problems as the low take up of family friendly work provisions by men, "while men made up nearly 58 per cent of employees with children under 12, they were just over 33 per cent of those who took parental/carers' leave".

HROEC contends that Australian commentators have suggested that workplace and managerial cultures impede men's use of existing unpaid parental leave provisions, and have suggested that income maintenance may assist in encouraging fathers to take time out of the workforce to care for children.

However, recent research has indicated that being an involved parent is becoming increasingly important for fathers and that a major barrier to being involved is commitments to paid work (Russel et al. 1999). Many of the interviewed fathers cited lack of support of their workplace and/or working conditions for their family commitments while some fathers felt they were expected to make a choice between their work and family (Hand & Lewis 2002).

Queensland Government initiatives

The Queensland government recognises the commitment of men to balancing work and family. To this end the following policies have been developed:

- access to paid and unpaid paternal leave
- pro-rata long service leave after seven years of service for parental purposes
- extra leave for proportionate salary.

4 RECOMMENDATIONS TO SUPPORT FAMILIES TO BALANCE WORK AND FAMILY

When considering the various factors which influence families' work and family decisions, financial considerations such as tax and child care costs can be offset by policy decisions by the federal Government to provide additional allowances, rebates or tax concessions to reduce the barriers to workforce participation for parents.

In order to remove barriers for parents to participate in the workplace, the Queensland Government proposes that the federal Government:

- support the **States and Territories recommendations** to the Australian Industrial Relations Commission (AIRC) Work and Family test case
- support the retention of the **Minimum Wage adjustments** by the Australian Industrial Relations Commission (AIRC)
- direct the Productivity Commission to conduct a **National Inquiry into Child Care** as proposed by the MINCO resolution to the federal treasurer
- adopt s15A of the *Queensland Industrial Relations Act 1999* extending unpaid **parental leave to long-term casuals**
- adopt the Queensland Government's recommendation to the HREOC inquiry into **paid maternity leave** *Valuing Parenthood: Options for Paid Maternity Leave* that "the Commonwealth should introduce a system of paid maternity leave, to be paid at the level of the **federal minimum wage**"
- review the current state of **working time arrangements** to investigate the impact that long working hours can have on family and community life, productivity and health and safety.

Introduction

Australia, like many other western countries, is facing a decline in labour force growth over the next five decades. This decline is related to the projected decline in population growth, specifically growth in the working-age population, as well as a projected decline in the labour force participation rate.

The projected decline in population rates is related to a decline in fertility rates. Falling fertility rates in Australia (and elsewhere) are associated with the increased age at which women have their first child and therefore the fewer children per woman, on average. The low fertility rate means that the proportion of younger age groups in the population decreases with the result that the population becomes concentrated in the older age groups, referred to as the ageing of the population.

While women have increased their participation in the labour market representing 56 per cent of all Australian women (ABS 2003a) women with children under 15, represent only 30 per cent of working women (ABS 2003b). Consequently enhancing workforce participation of mothers will be a crucial strategy for Government and employers in reversing the projected decline in labour force growth.

The Queensland Government has made significant contributions through legislation, policy initiatives and programs to support women to increase their participation in the workforce as parents and to support parents in balancing their work and family commitments.

The Standing Committee on Family and Human Services has requested submissions by **8 April 2005** on how Government can help families juggle their work and family needs. It will look at:

- 1 financial, career and social disincentives to starting families
- 2 easing parents' return to the paid workforce
- 3 effects of tax and other factors on families' work and family balance.

1 POPULATION AND LABOUR FORCE PROJECTIONS

In Australia and many other western countries, the composition of the paid workforce has changed significantly over the past five decades because of major social, cultural and economic transformations. One of the major challenges facing Queensland and Australia over the next five decades is the projected decline in labour force growth. Whilst labour force growth has already seen some decline over the past two decades³, it is expected to slow substantially in coming decades. In the present decade (2001-2011), the Queensland labour force is projected to grow only by an average of 1.63 per cent per annum, less than half what it was two decades before. A further forty

³ In Queensland averaging 3.43 per cent p.a. from 1981-1991 compared to 2.62 per cent p. a. from 1991-2001

years out (2041-2051) the average annual growth is expected to have slowed down to 0.61 per cent (Kinnaird & Associates 2002).

The projected decline in labour force growth is related to the well-documented projected decline in the growth rate of the Queensland and Australian populations over the next five decades. The most important factor in this decline is the long-term decline in the fertility rate, while the consequence of this decline is a significant ageing of the Queensland and Australian populations (*Submission to Inquiry into Employment* 2003).

According to a recent report by the Australian Government Productivity Commission (2004), Australia faces a pronounced ageing of its population over the next forty years. One-quarter of Australians will be aged 65 years or more by 2044-45, roughly double the present proportion. Labour force participation rates are significantly lower for people aged over 55 years. As more people shift into older age groups, overall participation rates are projected to drop from around 63.5 per cent in 2003-04 to 55.4 per cent by 2044-45.

Since the peak in the fertility rate in 1961 of 3.5 babies per woman, the total fertility rate of Australian women has been in decline. Between 1969 and 1979, the fertility rate declined from 2.9 to 1.9 babies per woman. This trend can be mainly attributed to a sharp decline in fertility rates of women in the younger age groups, including the 20-24 and 25-29 age groups.

In the two decades after 1979, the fertility rate decreased more slowly from 1.9 to 1.7 babies per woman. During this period the fertility rate of women under 30 years continued to decline, while the fertility rate of women over 30 increased. Nevertheless, the increased fertility rate of older women did not compensate for the decline in fertility rate in the younger age groups (ABS 2001a). The shift toward older motherhood is consistent with women having their first child later in life, with the consequence that they have fewer children on average (Kinnaird & Associates 2002).

Research by Campbell and Charlesworth (2004) state that women who were 21-29 years of age in 1981 had 1.3 children on average compared to 0.8 children born to women of the same age in 2001.

Women in Australia (2004), published by the Australian Government, supports this fertility profile by quoting the Australian Bureau of Statistics *Births in Australia* (2002a) as follows, "the median age of all women giving birth was 30.2 years, the highest on record. Fathers have aged as well, the median age rising to 32.5 years in 2002."

In addition to a decline in the total fertility rate, *Women in Australia* (2004) also report that increasing numbers of Australian women and their partners are choosing not to have children. "According to estimates from 2000 around one quarter of women in their reproductive years are likely never to have children (ABS 2000b).

1.1 Factors associated with the population decline

1.1.1 *Cost to women of leaving the workforce*

There has been a significant increase in the participation of women in the labour force. According to Queensland Governments' *Profile of Queensland Women* (2004), women now make up almost half of the Australian work force. Over the course of the past thirty years, Australian women's participation rate has increased from 37.1 per cent in 1971 (ABS 2003c) to 55.5 per cent in June 2004. For women in the main childbearing years (25-34), the participation rate increased from 50 per cent in 1990 to 71 per cent in 2004 (ABS 2004).

In addition, the Human Rights and Equal Opportunity Commission's (HREOC) report on paid maternity leave, *A Time to Value – Proposal for a National Paid Maternity Leave Scheme* (2002), states "women with a degree have a full time employment-population ratio that is about two times larger than women who left school at 15 years of age and subsequently have not obtained a qualification."

Macdonald (2001) summarised the situation as:

'An expectation of an attachment to the labour force across the life course is now the predominant expectation of young women in Australia. They have been educated and socialised with this expectation. It is obvious that their decisions about family formation will be taken in the light of the perceptions that they have about their ability to combine their work force aspirations with the raising of children. These perceptions in turn are affected by the nature of the social institutions, that is, by the level of support that families, employers, communities and governments provide to assist young Australians to combine the responsibilities of parenthood with participation in the labour force.'

Kinnaird and Associates (2002) further argues that women's fertility decisions are affected by "the rising cost to women of withdrawing from the workforce to bear or rear a child, relative to previous generations. This cost includes both income losses and career and other opportunity costs. Fertility rates appear to be inversely related to the attachment of women to the labour force, rising educational attainment and income, with this relationship strongest among young women."

Queensland Government initiatives

The Queensland Government, in its submission to HREOC's inquiry into paid maternity leave *Valuing Parenthood: Options for Paid Maternity Leave* (2002) supported the provision of paid maternity leave and submitted that it was a commonwealth responsibility.

The Queensland Government's submission argued that:

“the Commonwealth should introduce a system of paid maternity leave, to be paid at the level of the federal minimum wage.”

As a major employer, the Queensland Government provides six weeks paid maternity leave and access to unpaid parental leave and pro-rata long service leave for parental purposes.

1.1.2 Job insecurity

Another trend affecting the decline in fertility rates is the deregulation of the labour market resulting in declining job certainty and the casualisation of the workforce, which together with the economic impact of the rising cost of home ownership and other costs, such as the increase in Higher Education Contribution Scheme (HECS) debt, has a flow-on effect for families and family formation.

Job security in Australia has declined over the past decade. “In 1989/90 when we first asked the question “is your job secure”, the vast majority of Australian workers reported having secure jobs with a total of 73 per cent feeling very secure or fairly secure in their jobs. In the next few years this dropped to 63 per cent and by 1996/97 it had fallen further to 56 per cent” (Kelly, Evans & Dawkins 1998).

The increase of casual work as a proportion of total employment rose by 69 per cent between 1988 and 1998. Data from the ABS indicated that workers without leave entitlements comprised 27 per cent of all full time and part time employment (2001b). The ABS estimates that only 54.6 per cent of female employees and 55.3 per cent of male employees are now permanent. For full time permanent work this change has been most marked, the percentage having declined from an estimated 76.4 per cent to 53.4 per cent of employed persons (HREOC *A Time to Value* 2002).

HREOC also points out in *A Time to Value* (2002) that in addition to the decline in permanency, a significant proportion of the workforce is in a job for a relatively short period. The report quotes ABS (1998) data which indicates that a total of 42 per cent of the Australian workforce had been working for an employer for less than two years.

“In 2000, almost one in four of those aged 25-34 had changed employer within the previous 12 months, compared with 10 per cent of 35-44 year olds and even fewer in older age groups. Female employees of child bearing age also have shorter periods of continuous employment, with 45.9 per cent of those aged 20-24 and 27.9 per cent of those aged 25-34 having worked in the same job for less than one year” (HREOC *A Time to Value* 2002).

Queensland Government initiatives

In recognising the barriers to family formation for casual workers, the Queensland Government amended the *Industrial Relations Act 1999* to introduce the right of long term casual employees, employed on a regular and

systematic basis for at least one year with the same employer, to access unpaid parental leave

1.1.3 Increased costs of housing and incurred debt (HECS)

A decline in job security and permanent work has reduced the capacity for people of a child bearing age to access the housing market. According to a report authored by the *National Centre for Social and Economic Modelling* (NATSEM) (2003), home ownership has declined particularly among people aged between 25 to 39 years old.

The report states that there is a lower home ownership rate among “Generation Xers” (born between 1961 and 1976) against other generations such as “Pre-boomers” (born between 1931 and 1946) and “Baby Boomers” (born between 1946 and 1961).

The report notes that:

“If we compare the 1999 home ownership rates of 25 to 39 year olds with the same age group years previously, we see a significant shift from home ownership to renting. In 1989, 64 per cent of all 25 to 39 year olds were outright home owners or home buyers... Ten years later, this [was] down to 54 per cent”.

The number of tenants in the private market has thus seen a corresponding rise from 22 per cent of 25 to 39 year olds in 1989 to 31 per cent of this age group in 1999.

According to the report the lower home ownership rate among Generation Xers can largely be attributed to “...their delay in leaving home and establishing economic independence...”.

As cited in the HREOC report *A Time to Value* (2002), the Home Loan Affordability Indicator has decreased from 57.4 in March 1980 to 40.5 in December 2001 representing a 29 per cent decrease in the affordability of housing in Australia in the last 20 years (Real Estate Institute of Australia 2002).

The HREOC report (2002) makes the following assessment:

“Access to housing finance is more difficult and expensive for those without permanent work, suggesting that for younger age groups, home ownership, with its implications for family formation, is likely to be problematic”.

Further the report adds,

“it is not surprising that among couples under the age of 35, without children, home ownership fell eight per cent in the five years from 1994 to 1999, from 60 per cent to 52 per cent (ABS 2001a). Home purchase is generally associated with the beginnings of family formation”.

In addition, NATSEM have recorded that Generation X⁴ are deferring starting a family due to student debt. “Despite the fact that Generation X are one of the most qualified generations in history, they possess considerably less wealth than previous generations” (NATSEM 2003).

Dr Natalie Jackson of the University of Tasmania has conducted research into the affects of Higher Education Contribution Scheme (HECS) on the family and has concluded that there is a strong impact on fertility rates. Dr Jackson notes that typically, repayment of HECS occurs during childbearing years, and this causes students to delay starting a family and therefore reduces the number of children they might have been willing to have, which in turn affects population growth (Armstrong 2004).

1.1.4 Impact of education and training

Recent research has found that increasing educational levels is associated with lower fertility. Researchers state that the period after full-time education is an important influence on fertility, where substantial childbearing occurs on average only after 10 years of leaving full-time education (Tefaghiouhis 2004).

HREOC (2002), in *A Time to Value*, describes the dramatic increase in the participation of women in higher education. “In 1989 women made up 49 per cent of higher education students aged 20-24 and 47 per cent of those 25-44. A decade later these proportions had increased to 52 and 55 per cent respectively” (ABS 2000a).

The Household, Income and Labour Dynamics in Australia (HILDA) survey of Education, Work and fertility also found that higher education and full-time employment are associated with lower fertility. The research contends that the opportunity cost of having children will be higher for these women in terms of lost earnings and taking time off to have children. The analysis found that women employed full-time had higher education levels than those employed part-time or in other labour force statuses.

It therefore appears that women delay childbearing after completing full-time education for, on average, up to 10 years. This may indicate that young women are delaying their fertility until such time as they build their relationships and/or careers, or because they find it difficult to combine work with childbearing.

On the other hand qualifications are clearly an important strategy in fostering maximum participation of women in the workforce. Research indicates that for both males and females, a higher level of education has a favourable impact on employment-to-population rates. This impact occurs at the higher-level qualifications of Certificate III and above (Karmel & Woods 2004).

⁴ Born between 1961 - 1976

Queensland Government initiatives

The Department of Employment and Training focuses on providing all Queenslanders with maximum opportunities to participate in the workforce. In terms of enhancing outcomes for women and other groups, the strategies include:

- *Supporting people to make good decisions about career and training, and recognising the skills they have acquired over a wide range of contexts.*

For both men and women, making good decisions about training and career paths is a vital part of achieving employment and personal goals. Through *Skilling Solutions Queensland*, the Department of Employment and Training is providing formal competency recognition and customised skilling solutions to enable people to make good decisions about employment and further education and training. This service will directly assist people into employment, and identify pathways to relevant education and training. The first pilot site was opened at Logan Central by Premier Beattie on 17 March 2005 with another three sites to be opened at South Brisbane, Meadowbrook, and Shailer Park during April 2005.

- *Ensuring that TAFE institutes and other public vocational education and training (VET) providers are able to provide leading edge training services that place the student at the centre of the training system.*

Many women require products and services that enable them to juggle study and work and family commitments. With changing technologies, and the shifting nature of work and leisure, learners will require training that is even more flexible and meets their learning needs in a way, time and place that suits them. The Department of Employment and Training will continue to strive to develop flexible products and services that continue to adapt and respond to the learning needs of learners.

1.1.5 Reversing population decline

As we have explored, there are many inter-related factors which have a combined impact on projected population decline.

Some commentators argue that the era of job insecurity has been accompanied by a strong economic cycle of 'booms and busts' and rising or fluctuating housing prices which lead young adults to invest in education and career development and also encourage couples to maintain dual incomes.

McDonald (2001b) states:

"falls in the rates of first birth at ages less than 30 years are related to the uncertain situation faced by young people in the competitive labour markets of today. This uncertainty requires young people to invest in their own human capital with longer years spent in education and the full time labour force before having a child can be contemplated."

McDonald continues:

“If young people have the confidence that having the first child will not destroy their future situation in the labour market, they may be ready to have the child. This requires that they have an impression, that in their future, the society will support their choice to have children while allowing them to continue to pursue their occupation”.

Tesfaghiouhis, in his HILDA based research on Education ,work and Fertility (2004) also found that the majority of mothers with own resident children (younger than five years) were either out of the labour force or in part-time employment. Consequently the report finds that: “increasing maternal labour force participation by age of children aged 0-4 years is relevant to targeting assistance to support maternal fertility and work”. (Tefaghiouhis 2004)

McDonald (2001b) argues that policy should take into account mothers' sharp increase in labour force participation as the youngest child ages from age zero to age four. He argues that all mothers of young children, irrespective of their employment status, need a combination of income support and child care support so that the transition from home to work can be undertaken without experiencing substantial loss of benefits.

Reversing the decline in fertility rates relies strongly on the interventions of Government, employers and the community to assist young Australians to combine the responsibilities of parenthood with participation in the labour force.

Queensland Government initiatives

The Queensland Government has established a Work and Family Unit to provide information, resources and research which assists businesses and industry to recognise and address the needs of employees with family responsibilities.

As a major employer, the Queensland Government has introduced a work and family package for their own employees including:

- accrued time arrangements
- flexible work practices policy
- extra leave for proportionate salary policy
- half pay long service leave policy
- paid maternity leave policy
- parental leave policy
- study and research assistance
- telecommuting resource kit

2 ISSUES FOR GOVERNMENT

2.1 Changes in Labour Force Participation

The Queensland labour force grew by around 40,000 per year on average between 1980-2000 but will fall to around 29,000 per year between 2001-2021, with some 11,000 fewer people joining the workforce. Labour force growth slows even further from 2021 to 2041, from an annualised rate of 1.36 per cent to only 0.78 per cent per annum (Kinnaird & Associates 2002).

This analysis was supported by the Intergenerational Report by the Commonwealth Treasurer which considered that the recent overall upward trend in the labour force participation rate was unlikely to continue, mainly reflecting Australia's ageing population. The Australian Government's report *The Economic Implications of an Ageing Australia* stated: "In the next two years, the number of workers is projected to grow by around 320 000, but by 2024-25 it will take almost 20 years to achieve the same growth (Australian Government Productivity Commission 2004).

According to the Queensland Government's submission to the *Inquiry into Employment: Increasing participation in paid work* (2003), the decline in labour force participation of men over many years, has, until recently, been offset by the rising participation rates of women. The report contends that since the mid 1990s the rising female participation rate has not been sufficient to offset the decline of male participation, with the result that the overall participation rate has started to decline, although only very marginally. The report states:

"The consequence of this is that for the first time in many decades the average growth in the labour force is expected to fall below that of the average growth in the population, which is itself in decline. Any attempt to address the decline in labour force growth must therefore address both the declining growth in the working age population and the currently anticipated decline in long-term participation rates" (ABS 1999).

Therefore, increasing and retaining female participation rates in the workforce is an essential element in labour force projections.

According to the demographic projections in Kinnaird and Associates (2002), the extent of the slowdown in workforce growth will be determined by future trends in labour force participation by women. In his analysis labour force participation rates in 2051 indicate that women will constitute a much larger percentage of the workforce.

However, while women comprise 44.9 per cent per cent of employed persons in Queensland, they supply only 37.7 per cent per cent of the hours worked. With the projected decrease in labour supply as a result of a decline in labour force growth, there is clearly the capacity for women to increase their working hours (ABS 2005).

In the 2001 Census, the average participation rate of women in couple relationships with a youngest child under the age of 20 (64.8 per cent) hides a high degree of variability in participation (ABS 2001c). For women in couple

relationships with a youngest child under five years of age, the labour force participation rate is significantly lower than the average at 51.4 per cent.

This rate rises dramatically to 69.7 per cent where the youngest child is five to nine years old. Where the youngest child is 10 to 14 years the participation rate is 76.0 per cent and for women with a youngest child 15 to 19 years it is only marginally higher at 77.8 per cent (*Submission to Inquiry into Employment 2003*).

Compared to mothers in couple relationships, lone mothers have substantially lower rates of employment.⁵ When the youngest child is between zero and four years the employment rate for lone mothers and couple mothers is 29.7 per cent and 48.1, respectively. However, when the youngest child is aged 15 to 19 years, the difference is much smaller with employment rates of 68.0 and 75.2 per cent, respectively (Gray et al. 2002).

In *A Time to Value*, HREOC (2002) reported that twenty-eight per cent of women workers aged 25-34 have worked in their main job for less than 12 months; for younger women this figure is higher (ABS 2000b). This may mean some women take other forms of leave other than parental leave, generally short, in order to retain their position when having children. The declining number of permanent employees, especially in younger age groups, suggests eligibility will continue to be problematic for women while it is based on industrial requirements.

Women are also much more likely than men to engage in casual work and a large portion of the female casual labour force are in the “child-rearing” and caring age group aged 25 to 54 (ABS 2003d).

A major aspect in encouraging parents to participate in the workforce is not only about increasing the number of jobs but about increasing job security and the part-time hours for the 22 per cent of part-time workers, both men and women who indicated they want to work more hours (ABS 2002b).

Queensland Government initiatives

- *Easing parents' return to the paid workforce - Back to Work: Parents and Carers Program*

Parents and carers returning to the workforce tend to lack recent work experience, post-school qualifications and adequate job search and networking skills. This poor job competitiveness is exacerbated by the inherent restrictions posed by family and carer responsibilities, such as lack of independent affordable transport, and a high reliance on public housing or rental accommodation in low rental areas where job opportunities are often sparse.

⁵ We focus here on employment rates rather than participation rates because lone parents are much more likely to be looking for work and so be recorded as unemployed (thus distorting their participation rates) compared to couple parents who are less likely to look for work if they think none is available (that is, more likely to be discouraged workers and thus not in the labour force).

To assist parental and carer jobseekers' return to the paid workforce, the Queensland Government introduced the *Back to Work: Parents and Carers* program, to provide a wide range of customised pre-employment and training assistance, to help eligible parents and carers who are ready to re-enter the workforce or are entering for the first time. Over the next three years, the program will assist 2300 long-term unemployed parents and carers. The program supports and complements the existing *Breaking the Unemployment Cycle* initiative programs, which are primarily aimed at raising the labour market competitiveness of the most disadvantaged jobseekers.

Introduced from January 2005, participants will have access to an employment assistance package, which is customised to suit individual needs, including job search, job placement, a contribution to child care costs, vocational skills training, a contribution to transport assistance, work-related clothing costs and post-placement support. Additionally, employers offering jobs to these participants will be eligible for a wage subsidy.

The program will target areas where there are high unemployment rates for parents and carers.

2.2 Importance of work and family strategies to improve labour market participation

International research has shown that where the most developed family leave and childcare arrangements exist, women's employment rates are higher. For example, the OECD Employment Outlook for June 2001 showed a strong correlation between a composite index of policies and practices that encourage work and family balance and the employment of women aged 30 to 34 years of age. Countries with the highest composite index recorded the highest employment rates for women in this age group. Based on this composite index, the employment rate for this group of women in Australia was just below 65 per cent, which was lower than the rates for women of the same age group in the UK, Germany, the Netherlands, Sweden and Denmark (OECD 2001).

Kinnaird and Associates (2002) argues that there are good grounds for the view that work and family measures *can* influence fertility levels generally and in Australia in particular.

He argues that there are already some examples of countries where fertility rates have increased following introduction of specific work and family measures, notably France and Norway.

McDonald (2001a) in his analysis of '*Family Support Policy in Australia: The Need for a Paradigm Shift*' makes the case that:

"It is already very evident that when social institutions remain founded in the male breadwinner model of the family yet young women are offered

opportunities in paid employment similar to those of young men, fertility rates fall to extremely low levels. This is the case in countries such as Italy, Spain and Japan. In contrast to these countries, two European countries with fertility rates well above Australia's rate, Norway and France, have adopted a new model of the family in which a lifetime approach is taken to the combination of work and family for both fathers and mothers.”

A comparison of the path of fertility in Australia, France and Norway in the 1990s shows declining fertility *reversed* in France and Norway while Australia continues its downward trend.⁶

McDonald (2001a) argues that while France and Norway have adopted somewhat different approaches, their family policies have several common strands:

- A model that presumes that mothers (or, potentially, fathers) will gradually return to the work force as their *youngest* child ages – and which provides maximum support for a gradual return to the labour force (vs. other options). Both systems aim to maintain a level of attachment to the work force.
- In both countries, this is achieved through paid parental leave when the child is under one year of age, a combination of parental leave, child payments and child care when the child is aged one and two; and free, high quality early childhood education after the child reaches age two in France and age three in Norway
- In both countries, the costs of parental leave programs are not borne by individual employers but by a national insurance system.
- Attention to working hours, with France reducing the standard working week to 35 hours and Norway providing a right to parents to reduce their work hours to 80 per cent.
- McDonald also cites a 1998 international study by Gornick, Myers and Moss of 14 western countries which ranked Australia's level of support for the employment of mothers with children aged three to school age 13th, just ahead of the US; and 14th for employment policies for mothers with a child aged less than three.

“In summary, decisions about family formation will be conditioned by the perceptions that parents have of the supports that are available to women to combine work and child-raising. On the other hand, decisions about the level of attachment to the labour force of women with children will be conditioned by the actual supports available to them at the time” (McDonald 2001a).

⁶ On standardised labour force participation rates (see table 10), female participation rates in France increased by 2.6 percentage points over the period 1990-2000 from 47.0 to 49.6 per cent. Data on Norway is not available on the same basis.

The capacity for work and family strategies to have a positive effect on labour force participation highlights the importance of the work and family balance in providing benefits across the spectrum – for employees and their families, for employers, and for the broader economy and society.

2.3 What has been achieved so far in legislation and at enterprise level

2.3.1 Queensland

In addition to the Parental Leave Award, amendments aimed at assisting workers to balance work and family commitments have been introduced under the *Industrial Relations Act 1999* and include:

- the right of long term casual employees, employed on a regular and systematic basis for at least one year with the same employer, to access unpaid parental leave
- the extension of the definition of spouse to include a same sex spouse
- the subsequent reduction of the two year qualification period for casuals to access unpaid maternity leave to 12 months and the expansion of the entitlement to provide unpaid maternity, paternity and adoption leave
- the extension of unpaid carer's leave to casuals with at least 12 months service to enable them to use five days unpaid leave per year to care for members of the immediate family or household who are ill
- the extension of unpaid bereavement leave of two days, to casuals with 12 months service.

Protection from Discrimination

The Act also prohibits an employer from dismissing an employee, including a casual employee, where the dismissal is on the grounds of pregnancy, birth or adoption of a child or spouse's pregnancy, birth or adoption of a child, applying for or taking parental leave or discrimination.

The *Anti-Discrimination Act 1991* was amended in March 2003 to include family responsibilities as a prohibited ground of discrimination in the workplace and to extend coverage for breast-feeding mothers.

Flexible Working Hours

Most awards in Queensland have provisions for part-time work, containing requirements for minimum and maximum hours of work and other issues relating to part-time work arrangements.

In addition, some awards contain the option of time in lieu instead of overtime by agreement between the employer and employee.

2.3.2 Federal

Minimum wage

One of the most important mechanisms for maintaining standards of living for families is the power of the Australian Industrial Relations Commission (AIRC) to hear cases and to make decisions about the minimum wage. Ever since the Harvester Judgement in 1907 established the principle that the basic wage should include cost of living calculations for wage earner and family, the regular adjustment of the minimum wage by the AIRC has provided significant protection of family incomes.

The AIRC has a proven record of carefully balancing submissions from all the parties, including the federal government, state governments, employer and employee associations, and economists, and delivering a genuine safety net for workers and their families who rely on awards for their minimum pay and conditions.

The Commonwealth Government's stated intention is to radically alter the way that the minimum wage is set. This step has the potential to be damaging for wage earners and their families. For example, if the federal Government's submissions to the National Wage Cases since it came to power had been successful, wage earners on the Minimum Wage would now be \$40 a week worse off (i.e they would be on \$427.40 a week, as opposed to \$467.40 a week). In addition, the federal Workplace Relations Minister has stated that the minimum wage, at \$467.40 a week, is \$70 a week too high.

The Queensland government believes that the minimum wage should provide a fair living wage that is also an incentive to work and allows families to survive. Queensland Government submissions to the National Wage case have supported a fair and reasonable wage increase based on a reasonable assessment of cost of living and productivity increases over the period.

2.3.3 International

In **Sweden**, parents have generous maternity, parental and child rearing leave benefits and mothers with young children can work reduced hours in their current job. In the **Netherlands** the *Adjustment of Hours Act* has been introduced to allow employees to work reduced hours in their current job provided that it does not impose undue hardship on the employer. In **Denmark** employees also have access to generous parental leave entitlements.

Legislation in the **United Kingdom** gives eligible employees with children under six and employees with disabled children under 18, the right to request flexible work arrangements, including hours, times and place of work. Employers have a statutory duty to seriously consider such requests.

Both the **United Kingdom** and **New Zealand** have some form of paid maternity leave, subject to the employees' length of service.

Some **European** countries have introduced a national reduction in standard working hours with increased productivity being taken as reduced hours rather than increased salary; annual leave schemes whereby people 'purchase' additional leave through taking a reduction in salary; or arrangements such as

a four-day week or long periods of leave, without pay, with income spread over the whole period.

EU Directives

The **Working time directive** covers span of hours, overtime, rest periods, shift work, patterns of work and other relevant regulations.
(<http://www.incomesdata.co.uk/information/worktimedirective.htm#Article1>)

The **Protection of Pregnant Workers directive** provides for a range of health and safety measures, maternity leave entitlements, time off, without loss of pay, to attend ante-natal examinations, measures to prohibit the dismissal of workers during pregnancy and other relevant regulations.
http://www.bbp-facts.com/C-L/Legislation/92_85_Pregnant_Workers_Directive.pdf

2.3.4 Queensland Government Work and Family initiatives

The Queensland Government recognises the complex interplay between work and family lives and has made a number of commitments aimed at helping Queenslanders balance work and family, including the establishment of a Work and Family Unit, research projects on work and family issues, and the introduction of a work and family legislative package for casual employees in 2001.

The Work and Family Unit is currently involved in a number of major research projects:

- The *Work and Family Project – Pilot Program*. This research project is a collaboration between the Department of Industrial Relations and the University of Queensland and involves the development of a self-assessment measure to evaluate the ‘work-life balance’ policies and practices of workplaces. In addition, the project examines organisational factors that might facilitate or impede the use of ‘work and family’ policies via case study research.

Currently, individual case reports for each of the participating organisations are being written. Findings from all the case studies will be collated into an overall report. In addition, a manual is being developed to instruct organisations how to administer the self-assessment measure themselves. This will enable organisations to run the measure on a regular basis to evaluate and improve their work and family policies. It is intended that the *Measure* will be launched by the Work and Family Unit in 2005 and will be made available to organisations via the Department’s Internet site.

- The second project began in 2004 when the department joined as an industry partner in *Parental leave in Australia: access, utilisation and efficacy* which is led by the University of Queensland and the University of Sydney. The primary aims of this project are to inform policy development and theoretical debate on the issues of parental leave by filling gaps in

knowledge about usage, the preferences of women and men combining work and family responsibilities, and the shaping of options and choices in workplace and household contexts.

The research project will be conducted over a three year period and includes three levels of investigation, including (1) survey of parents of children born 12-18 months prior to the survey; (2) workplace case studies; and (3) face-to-face interviews in households with individuals from the initial survey. The survey for the first level of investigation has been developed and has recently been tested among a small sample of eligible women. The actual survey will be conducted in early 2005. The complete project will be finalised in 2007, at which time a final report will be produced.

- The Work and Family unit is also currently developing a *Community Education Strategy* on how to balance work, family and lifestyle responsibilities. The strategy will provide information on balancing work and family responsibilities targeting different stakeholders in the community, including business, workers and their families.

2.3.5 Work and family initiatives in enterprise and individual bargaining

Enterprise and individual bargaining in theory provide for a balance between the needs of business and the needs of the employees of the business. However, analyses show that family-friendly provisions in enterprise and individual agreements fail to innovate further than the minimum conditions as required by legislation.

An analysis of enterprise bargaining undertaken by the Australian Centre for Industrial Relations Research and Training (ACCI RT) (2002)⁷, showed:

- The most common arrangement is family/carer's leave taken as part of sick leave entitlements, ranging from one to an unlimited number of days, with the most common number of days being five.
- A large number of agreements contain a flexible hours of work provision, however even with the high prevalence of these clauses, very few of these are specifically tailored to suit family needs.
- Part-time work features prominently in agreements, however job-sharing provisions are uncommon.
- Very few enterprise agreements provide paid maternity leave with periods of leave varying between two days and 18 weeks. Even fewer agreements provide an entitlement to paid paternity leave.
- Even fewer agreements provide for childcare facilities at the workplace, subsidised childcare costs/arrangements or elder care referral services.

⁷ This analysis was relying on the Agreements Database and Monitor (ADAM) monitored by ACCIRT.

- Very poor representation in agreements for working from home/ telecommuting provisions, and those negotiated are most likely to be found in the public administration, electricity, gas and water and financial services industries.
- Less than one per cent of agreements contain a provision for a career break scheme which is mainly found in the financial industry and public administration industry.

However, research carried out by Gillian Whitehouse of the University of Queensland (2001), shows that individual Australian Workplace Agreements (AWAs) contain fewer family friendly provisions than collective agreements. Of 2379 collective agreements analysed, 13.5 per cent made reference to one or more of the work/family provisions identified above while 11.6 per cent of the 889 AWAs did so.

Additionally, employee complaints and audit activities have revealed many cases of exploitation under AWAs to the Queensland Inspectorate. Complaints to the inspectorate have revealed that a number of AWAs provide for “set rates” which include components for holiday pay and loading, long service leave, sick pay, public holiday, weekend work and late work penalty rates and allowances, travel allowances, redundancy, retrenchment and severance, parental, bereavement and other such leave entitlements set out in the applicable awards or acts that apply to the employment. Employees are paid these inclusive rates for the hours worked and no further claims can be made.

In one example these rates applied to “supplementary workers” which is a worker who would normally be defined as part-time under an award and be entitled to the same benefits as a full-time employee.

These “set rates” defeat the purpose of the provision of paid leave, allowances and benefits in legislation, particularly in aiding families in balancing their work family and leisure commitments and often are not high enough to compensate for all forfeited benefits.

3 BARRIERS TO FAMILY GROWTH AND PARTICIPATION IN THE WORKFORCE

International comparisons reveal a low level of workforce involvement among Australian mothers. Of Australian women with two or more children, only 43 per cent are in the workforce, compared with 82 per cent in Sweden and 62 per cent in the UK (Lee 2004).

Due to the competing pressures women face as primary care givers, a number of policies are capable of affecting female labour force participation, including family taxation, childcare subsidies, child benefits, parental leave, flexible working arrangements and anti-discrimination laws. Other matters such as the welfare system, availability of informal modes of care and even

school hours can have indirect impacts on the capacity for mothers to work (Jaumotte 2003).

3.1 *Impact of income support and tax benefits*

The Commonwealth Government provides a range of income support and tax benefits including **Family Tax Benefits Part A and B** and a **universal Maternity Payment**. While the maternity payment of \$3000, increased to \$3042 in September 2004, is not means tested and is available to all mothers, Family Tax Benefits Part A is means tested on the basis of family income and Part B is income tested on the basis of the second income earner.

However, HREOC in *A Time to Value* (2002) argues that income support payments which are subject to an income and assets test, restrict the number of women who can access this payment. In addition, the targeting of payments at single income families by penalising families with a second income earner as in Family Tax Benefit Part B, effectively means that women cannot return to paid work and receive this payment.

According to researchers from Melbourne Institute of Applied Economic and Social Research, "If the Government had structured its changes to family payments differently and introduced a 'working tax benefit' aimed at rewarding the move from welfare to work, it could have increased labour supply by about 94,000' (Buddelmeyer, Dawkins & Kalb 2004).

McDonald and Kippen (2004) regarded income tax reform as an 'unfinished agenda' with concerns at both ends of the income distribution. They advocate raising the level at which income tax must be paid from current \$6,000 to \$10,000 and suggest lowering the top marginal tax rate from 47 per cent to 42 per cent.

This argument has been strengthened further by the release of the OECD report on *Taxing Wages* (2004) stating that the average Australian worker supporting a family of two children on one income, has the second-highest marginal tax rate in the developed world. The OECD report called for Australia to tackle the way taxes discourage people returning to work.

Despite some inaccuracies in the OECD report due to the inclusion of state payroll taxes in one of 50 tables, the *Australian* (2005) supports the OECD report's concern about:

"the way our welfare payments and family benefits scale down as those receiving them re-enter the workforce or increase their work participation, resulting in effective marginal tax rates as high as 90 cents in every dollar earned."

The *Australian* continues,

“the OECD confirms that it is the less affluent Australians – those with a mixture of welfare payments and earned income – who have suffered the biggest average tax increases since 1996.”

3.2 Costs of and demands for child care arrangements

ABS statistics confirm that the use by Australian families of formal child care is usually for a period of less than 20 hours per week. This data indicates that families are using formal child care for part of the week and other caring options for the rest of the week, which impacts on the way that parents structure their working arrangements, including arrangements for collecting children from child care.

ABS statistics show that the percentage of all children aged under three in formal care was 25.2 per cent in 2002, up from 22.3 per cent in 1999 (ABS, 2003d). This compares with 36.9 per cent of children under three using informal care, down from 43 per cent in 1999 (OECD 2002).

The Queensland Government *Profile of Queensland Women: a statistical snapshot* (2004), provides an overview of child care access in Queensland. The extent of use varies with age of the child, particularly for formal care. Only 9.6 per cent of under one-year-olds used formal day care, increasing progressively to 84.9 per cent of four-year olds. Before- and after-school programs (61.4%) were the most common form of child care for five to 11-year-olds followed by pre-school (31.2%). Overall, 19.2 per cent of Queensland children aged 0–11 years attended some form of formal care, a slight decrease from 20.7 per cent in 1996.

According to Thornthwaite (2002), 60 per cent of workers with children under five have problems with child care arrangements due to the time that care is available, the costs of care or breakdowns in child care arrangements when children are sick. Where families are unable to access satisfactory child care services, it is typically mothers who assume the responsibility for this care and adjust their labour market participation accordingly.

Women may have to return to work earlier than they might choose because of the shortage of formal childcare and the need to accept a place once offered or return to the end of the waiting list (HREOC *A Time to Value* 2002).

Demand for more formal child care in Queensland is strong, with 38,700 children requiring additional formal care in 2002. The greatest demand is for long day care (36.1%), followed by occasional care (19.6%), family day care (19.3%) and before-and-after school care (18.6%). The parents of 48.5 per cent of these children need extra formal care for work-related reasons. The greatest demand is care for children aged under three (*Profile of Queensland women: a statistical snapshot* 2004).

Because the federal Government provides a rebate for all families to access up to 20 hours a week for approved or registered childcare, there is some indication that the use of formal child care services for non-work-related

reasons is increasing which reduces access to child care places by working parents (*The Australian* 2005).

Whilst welcoming any additional assistance for working families, commentators are concerned that the federal Government's new 30 per cent tax rebate on families' out-of-pocket child care costs for children in approved care, introduced in January 2005, will encourage child care providers to raise their costs in response to the rebate. Professor Peter McDonald states that it is 'inevitable' that centres will put their prices up once the uncapped tax rebate comes into effect (Marriner 2004).

Queensland Government initiatives

At last year's Commonwealth, States, Territories and New Zealand Ministers' Conference on the Status of Women (MINCO), the Queensland Government, through the Minister for Women, presented an agenda item calling on the federal Government to direct the Productivity Commission to conduct a national inquiry into child care. The meeting endorsed the recommendation and in August 2004 correspondence reflecting MINCO's resolution was sent to the Federal Treasurer.

The Queensland Government recognises that child care services are now an integral part of contemporary family life and is committed to ensuring that children in child care are safe, that policies across government are coordinated and that child care services are better integrated to meet the changing needs of Queensland's children and families.

The Queensland Government's Department of Communities has developed a range of key child care initiatives:

- The ***Child Care Act 2002 and Child Care Regulation 2003*** were implemented in September 2003 as part of a legislative framework that strengthened existing child care requirements and allowed for greater flexibility of service delivery to ensure that services are better placed to accommodate the needs of families.
- ***Queensland Child Care and Family Support Hubs***
The *Child Care and Family Support Hub Strategy* is an outcome of the *Queensland Child Care Strategic Plan 2000-2005*. The child care and family support hub responds to the expressed need of families for improved access to integrated services. There are currently more than 27 hubs established throughout Queensland.
- ***Statewide Training Strategy and Statewide Training Plan*** were implemented to support existing child care workers to meet new legislative requirements for qualifications. This strategy recognises the link between qualifications and service quality and offers flexible, subsidised training to child care workers.

- The **Remote Area Aboriginal and Torres Strait Islander Child Care (RAATSICC)** program is a Queensland Government initiative that was developed in response to the expressed need for child care services that are holistic and culturally appropriate for children and families living in remote Indigenous communities.
- **Growing demand for school age care.** While state and territory governments have no capacity to control the number of child care places available for school age care, Queensland is taking significant steps to ensure school age care services meet licensing standards. It is a legislative requirement for school age care services to have applied for a license by 31 August 2005. The Queensland Department of Communities has invested more than \$5 million to assist school age care services across the state meet licensing standards.

There is pressure on governments to address demands for service provision of child care and family support in areas of market failure and social disadvantage. Ongoing demand for child care for children under three years of age affects parents' ability and confidence to return to work by reducing their genuine choice in meeting their child care needs.

3.3 *Impact of longer hours of work*

According to researchers, Australian workers are increasingly working long hours in comparison with employees in other OECD nations (Pocock 2001)

HREOC (2004), in its snapshot of work and family issues, reports that the proportion of men working very long hours has been increasing in recent years. In 2002, 35 per cent of men worked 50 hours or more per week. This increase is more striking for men aged between 35-54 years, despite a slight decline in the labour force participation of men aged 45-54 years. This is particularly pertinent when the median age for first time fathers is 32.3 years.

According to unpublished data from the August 2001 Labour Force Survey, almost 19 per cent of all employed persons, and just under 27 per cent of all persons usually working 35 hours or more, regularly worked 49 hours or more per week, the threshold frequently used to define long-hours working in Western countries (Wooden & Loundes 2002).

In contrast, in his analysis of the first wave of the HILDA Survey, Wooden (2004) presents the comparable percentages as 23 and 32, respectively. The reasons for these quite large differences, he states, are not entirely clear, though the relevant questions in the two surveys were different. The HILDA Survey, for example, specifically prompted respondents to include both paid and unpaid overtime.

According to Wooden (2004), these data are consistent with the widely held view that many Australians work very long hours and, more importantly, that these long hours arrangements are often inconsistent with worker preferences

and appear to contribute negatively to overall worker well-being. Moreover, while the data from Wave 1 HILDA Survey can say very little directly about trends, a comparison with data from the employee component of the 1995 Australian Workplace Industrial Relations Survey (AWIRS), suggests that the gap between actual hours and desired hours has intensified since the mid-1990s.

In July 2002, the Australian Industrial Relations Commission (AIRC) found in its decision in the Reasonable Hours Test case that hours and patterns of work have changed significantly in Australia over recent decades, with an increase in weekly hours for full-time workers. Longer working hours and work intensification can create negative consequences for families, relationships and the broader community (Premier's policy scan 2003).

The Queensland Government also, in its supplementary submission to the Reasonable Hours Case Test Case, outlined the current state of working time arrangements in Queensland and highlighted the negative impact that long working hours can have on family and community life, productivity and health and safety.

Working-time Transformations and Effects, a Griffith University Work Time Project (2003), studied a mix of small, medium and large organisations across different industry sectors to compare working hours and work and family practises.

The study found that internal and external regulation was important in shaping the working hours of employees.

“Constraints such as the payment of overtime rates, penalty rates and rostered days off help employees control their working hours. It is an indirect form of control, because these constraints are determined by some form of collective process that may be internal or external to the workplace. Yet it may be more effective in constraining hours than giving employees the individual 'capacity' to determine their own hours, because in reality those hours will be determined in the context of an environment, which is shaped by the needs of the employer and a workplace culture that reflects the environment.”

However, the study reported that the declining importance of overtime and penalty rates, the declining power of employees and, in that context, the absence of a ceiling on actual working hours, have contributed to the lengthening of working hours and an apparent deterioration in the capacity of employees to balance their work and family lives. This is so despite the considerable benefits flowing to employees from certain work-life initiatives in particular organisations.

For example, the study highlights the gains for employees and their occupational health and safety in one firm, from the shift from a six-day to a five-day working week which set an example to the rest of the construction industry. Elsewhere employees and organisations benefited from moves to self-rostering and self-managed job sharing. “Measures such as paid family

leave are unambiguously valuable for the ability of workers to balance their work and family lives” the study reported.

The study suggests that the purpose and manner of implementation of work-life policies can have a significant effect on the outcomes. Sometimes weak organisational infrastructure meant that ‘work life balance’ policies were ambitious in their outline but conservative in their application, leading to erosion of goodwill and failure of ‘work life balance’ policies when they were used.

The report concludes that “the challenge for policy makers is to support a framework that encourages such innovative, positive policies while reversing some of the pathologies that have arisen from the less desirable directions in working time practices in recent years”.

Queensland Government initiatives

The Queensland Government has policies aimed at addressing the hours that an employee must be in attendance at work which include:

- flexible work practices policies
- accrued time arrangements
- extra leave for proportionate salary policy
- half pay long service leave policy
- parental leave policy
- telecommuting resource kit.

3.4 Men’s contribution to work and family balance

HREOC, in its snapshot of work and family issues in *Striking the Balance* (2004), argues that more attention must be paid to increasing the contribution of men to balancing work and family responsibilities in order to increase workplace participation by women with children.

HREOC reports that in one survey of 1,000 fathers, more than half believed that the major barrier to being the kind of father they wanted to be was the commitment to paid work, in particular, barriers associated with paid work such as expectations of working long hours and inflexibility (HREOC 2004).

The Commonwealth of Australia’s Background Report to the OECD (2002) noted that:

“On the whole, Australian mothers have made most of the adjustments to reconcile work and family responsibilities. They are increasing their lifetime attachment to the labour force, lowering fertility, postponing childbirth and managing the rearing of younger children with a combination of periods out of the labour force and the considered use of part-time work. The number of men making use of workplace flexibility is rising but remains small”.

Campbell and Charlesworth (2004) refer to the 2002 ABS Survey of *Managing Caring Responsibilities and Paid Employment in Queensland*, which revealed

that 52.8 per cent of women provided care to children, elderly persons or other family members, compared to 41.4 per cent of men. In addition, it was reported in 1999 that 70 per cent of families with two parents working reported using the mother's working arrangements to care for children and 33 per cent reported using the father's working arrangements. In such families, 37.7 per cent of mothers used flexible working hours and 34.3 per cent used permanent part time work (OECD, 2002).

This clearly has implications for female labour force participation, attachment and earnings over time and means that policy responses are required to assist the emerging 'sandwich generation' of employees who face the challenge of caring for ageing family members and young children.

In *Striking the Balance*, HREOC (2004) contends that Australian commentators have suggested that workplace and managerial cultures impede men's use of existing unpaid parental leave provisions, and have suggested that income maintenance may assist in encouraging fathers to take time out of the workforce to care for children (Buchanan & Thornthwaite 2001).

HREOC (2004) considers that while men appear less likely to take periods of unpaid leave, it has been suggested that they would be willing to use periods of paid paternal leave. This has been attributed to an unwillingness or inability to forego income, particularly where men's income is generally higher than women's.

However, recent research has indicated that being an involved parent is becoming increasingly important for fathers and that a major barrier to being involved are commitments to paid work (Russell et al. 1999). Many of the interviewed fathers cited lack of support of their workplace and/or working conditions for their family commitments while some fathers felt they were expected to make a choice between their work and family (Hand & Lewis 2002). By increasing father's contribution to family responsibilities, mothers have more choice about increasing their workforce participation.

Queensland Government initiatives

The Queensland government recognises the commitment of men to balancing work and family by developing the following policies as an employer:

Pre-natal/pre-adoption leave is available to the secondary care giver (or spouse) to attend medical appointments or interviews prior to the birth/adoption of a child/children up to a total of 7.25 or 7.6 hours per pregnancy/adoption (based on the number of ordinary hours worked in a day).

A total of 52 weeks of paid and unpaid leave is available to the secondary care giver (or spouse), but the employee must be the child's primary care giver for the period of long service leave. This leave may include recreation and long service leave entitlements and:

- one week paid leave for spouses (who are public service employees) at the time of birth or adoption of a child/children, which is also available on a half-pay basis
- pro-rata long service leave after seven years of service for parental purposes. The employee must be the child's primary care giver for the period of long service leave.

Extra leave for proportionate salary is available where employees can work a reduced number of months in a year and receive a proportionate salary over a full 12 month period, subject to operational needs

4. **RECOMMENDATIONS TO SUPPORT FAMILIES' TO BALANCE WORK AND FAMILY**

When considering the various factors which influence families' work and family decisions, financial considerations such as tax and child care costs can be offset by policy decisions by the Commonwealth Government to provide additional allowances, rebates or tax concessions to reduce the barriers to workforce participation for parents.

In order to remove barriers for parents to participate in the workplace, the Queensland Government proposes that the federal Government:

- support the **States and Territories recommendations** to the Australian Industrial Relations Commission (AIRC) Work and Family test case;
- support the retention of the **Minimum Wage adjustments** by the Australian Industrial Relations Commission (AIRC);
- direct the Productivity Commission to conduct a **National Inquiry into Child Care** as proposed by the MINCO resolution to the federal treasurer;
- adopt s.15A of the *Queensland Industrial Relations Act 1999* extending unpaid **parental leave to long-term casuals**;
- adopt the Queensland Government's recommendation to the HREOC inquiry into **paid maternity leave** "*Valuing Parenthood: Options for Paid Maternity Leave*" that "the Commonwealth should introduce a system of paid maternity leave, to be paid at the level of the **federal minimum wage**";
- review the current state of **working time arrangements** to investigate the impact that long working hours can have on family and community life, productivity and health and safety.

Recommendations from the States and Territories to the AIRC Work and Family Test Case

To provide practical assistance to workers with family responsibilities, the States and Territories submitted that awards should provide:

- a right for both parents to take an unbroken period of up to 4 weeks unpaid simultaneous parental leave at the birth or placement of a child

An employee right to request and an employer obligation to consider and not unreasonably refuse:

- an additional four weeks simultaneous unpaid parental leave
- an additional 52 weeks unpaid parental leave in relation to the birth or adoption of a child
- the employee working part-time in one or more periods from the birth or placement of the child (or if necessary or desirable during pregnancy) until the child reaches school age
- a variation in hours, times or the physical location of work to enable the employee to provide care and support for an immediate family or household member
- up to six weeks unpaid leave per annum or up to six weeks purchased leave per annum with pay averaged over a 52 week period in order to assist employees' better balance work and family responsibilities
- a reasonable period of unpaid leave immediately following a period of paid annual leave, in order to assist employees to better balance work and family responsibilities.

In determining employee requests as outlined above, the States and Territories propose that employers should balance the needs of the business with the needs of the employee, considering the following factors:

- the cost in accommodating the employee's request
- the capacity to reorganise work arrangements to accommodate the employee's request
- the impact on the delivery of customer service
- the particular circumstances of the employee, especially the nature of his/her caring need
- the impact on the employee and his/her dependents of the request not being granted.

Where an employer and employee cannot reach agreement in relation to an employee request as outlined above, the States and Territories submit that the matter should be dealt with in accordance with the dispute resolution procedure in the relevant award.

- Periods of unpaid child rearing leave by agreement between the employer and employee, provided that the leave does not extend beyond the child reaching school age.

- An employee has the right to take up to 10 days personal leave per annum for the purposes of caring for immediate family or household members who are sick and require care or who require care due to an unexpected emergency.
- A requirement for meaningful consultation between an employer and employee on parental leave, where a definite decision has been made to introduce significant change at the workplace, and where any significant matter will affect the employee's decision regarding the duration of parental leave and the employee's intention to return to work.

Where required, consequential amendments to facilitate the employment of replacement employees by employers, **should be introduced** where an employee is on parental or child rearing leave

5 CONCLUSION

Kinnaird and Associates (2002) pointed out that the types of working arrangements actually used by employees differ greatly for males and females.

These show firstly, that females comprise nearly 60 per cent of all workers using work arrangements to care for a family member (children under 15, disabled or elderly person) and that considering males and females combined, the most common arrangements were paid leave (33%), part-time work (21%) and 'Informal arrangement with employer' (20%).

His figures show that *part-time work* is the main work arrangement used by women workers providing family care (vs. *paid leave* for males). Nearly one-third (32%) of the women reported using part-time work as a means of providing care for a family member.

Among the many other interesting differences by gender is the relatively low use of *flex time* by women – only 13 per cent reported using this arrangement compared to 22 per cent of males.

From an analysis of the number of employees who are *already* providing care for family members AND who wanted to use *more* work arrangements for caring purposes, Kinnaird shows that:

- An estimated **35,000** Queensland workers or 2.5 per cent of all Queensland workers were in the category of wanting to use more work arrangements for caring purposes.
- These figures excluded workers not using work arrangements for caring purposes already as well as those outside the workforce because of current caring responsibilities and who would like to join the workforce.
- Based on the NSW survey, there could be a further **67,000** people in Queensland in this latter group alone (i.e. outside the workforce mainly because of their caring responsibilities).

Furthermore, Kinnaird reports on the working arrangements wanted by the group described above:

- ***Flex time*** is the single most wanted arrangement (29% of workers in this group), followed by *paid leave* (26%) and *working from home* (20%). This data includes workers currently in both full-time and part-time work, in the public and private sectors, and males and females combined.

In this context the recommendations from the States and Territories to the AIRC Work and Family test case to provide more flexibility for child rearing purposes will provide practical assistance to workers with family responsibilities particularly:

- access to unpaid leave
- access to part-time work
- access to flexible working arrangements

Through its Work and Family Unit and other programs and services, the Queensland Government is raising and changing cultural awareness about the importance of family-friendly workplaces and is providing the necessary support services such as job training and child care to increase the participation of parents in the workforce.

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