

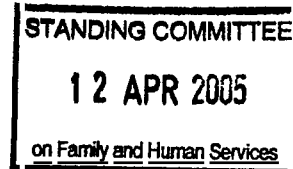
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The Hon Bronwyn Bishop MHR
Chair
Family and Human Services Committee
Commonwealth Parliamentary Inquiry into Balancing Work and Family
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Dear Mrs Bishop

RE: Committee Inquiry into Balancing Work and Family

It is encouraging that there is increasing recognition of the need to balance work and family. There are a number of factors in our society, largely beyond the control of the parliamentary process, which make it difficult for many Australians to find an appropriate balance between their commitment to their family and their responsibilities at work. I will seek to address these issues with specific focus on the terms of reference of the Committee.

1. *The financial, career and social disincentives to starting families*

Women are actively encouraged to seek a career path. We are actively encouraged to attend university and to enter careers which previously had been male dominated. To achieve our career goals we must compete with men, work the hours that men work (often for less pay), and undertake further study to be successful. The number of women aged 35-39 giving birth has more than doubled since 1982. The birth rate for women below 29 has decreased.

Many women find themselves extremely well advanced in their careers by the time they are in their mid-30s, working long hours, and being relatively successful. They have significant financial commitments, including mortgages and cars.

The average working hours, particularly for management positions, remains well above 38 hours. There is an expectation by employers that their workers will be able to work hours well beyond a 9 to 5 job, and will be available whenever their employer requires them to be. There is also a 'culture of presence' where some employers (and workers) believe that it is better to be seen at work regardless of the outcomes achieved.

In 2004 we still had employers who say 'women with children should not work', and "I did it tough so therefore you must do it tough'. Particularly in small business, the willingness of employers to be flexible is limited.

Women are delaying having babies until their mid to late 30s because:

1. they want to establish a career and to use the skills that their training has provided
2. they work long hours so are less likely to meet an appropriate partner earlier in their lives, and hence delay starting a family
3. employers are often not supportive of women once they get pregnant, and those who have delayed starting families see how their employers react to other workmates and delay their decision further.

The so called 'baby bonus' of \$3000 in 2004/05 and \$4,000 in 2005/06 is not a real incentive to people to have babies. It is not the cost of setting up for the baby which is a concern for parents, it is the ongoing cost of child care relative to their income. Similarly, paid maternity leave will not address the true problems faced by workers who return to the paid workforce following the birth of their child.

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

In early 2004 I had a baby. I advised my employer that I would take three months leave and would return full time to work, but hoped to work from home for a proportion of my working time. Upon my return I worked an average of 30 hours per week in the office and 30 hours per week from home. I held a senior management position at the time. After one month I was told that I was expected to undertake all the work in the office. Whilst this was the entitlement of my employer, the lack of willingness and perceived ability to provide management staff with flexibility following the birth of a child was disappointing. I subsequently resigned. There are many women in my position who are either working in part time less skilled positions, or who are not working at all, because their employers cannot provide them with the level of flexibility required to retain them in work.

Not every woman wants to work part time. Employers who provide an environment which involves flexibility and recognises the dual responsibility of family and work are fairly uncommon. Whilst large corporations such as Qantas and Westpac have been recognised for their family friendly work practices, it is rare for a small to medium sized enterprise to institute similar practices. The vast majority of employers in Australia are small to medium sized enterprises. The power to attract people back into the workforce lies with employers and their workplace practices. Until they see a financial benefit in retaining staff, value staff loyalty and see a direct increase in productivity as a result of flexible work practices, they are unlikely to support change. Those who have implemented family friendly practices have seen significant increases in loyalty, productivity and efficiency, but are generally larger companies.

It is possible, even in small business, to create an environment where workers value their employer and visa versa, and turnover decreases as a result. In these times of skill shortage, worker retention is increasingly important, but many women are

working well below their full potential because of the failure of employers to value their commitment.

Creating family friendly work cultures may not be easy, but pays dividends. Instead of a culture of presence, flexibility which allows workers to undertake some work at home, or to have more control over when they are physically in the office would have a significant impact. Whilst this may pose a challenge to small businesses in particular, it is the shift in culture which is more of an obstacle to implementation than the actual change itself.

Practices which would make it easier for parents returning to work would be:

- Employers providing family friendly work practices
- Employers scheduling meetings during work hours
- Employers reducing average weekly working hours expectations
 - Perhaps there could be a role for the Parliament in recognising excessive(often unpaid) working hours
- Government recognising that child care centres are not the only child care option, and providing financial support for alternative child care providers (such as nannies).

Given the longer working hours of society, and the shortage of child care places, many parents are forced to or choose to use alternative child care arrangements. Increasingly, given the difficulties of obtaining entry to child care and the limited numbers of flexible child care places, parents are sourcing more individual child care arrangements. Many couples would be spending half (or more) of the second income in the house on a nanny. They are provided with no financial assistance for this child care even though it is a significant cost to them. In France, there are taxation incentives for a broad range of child care arrangements, and this includes recognition of the valuable services provided by nannies.

Whilst younger parents may be able to obtain flexible child care arrangements from their parents, with the average age of mothers increasing (and their partners age is also increasing), the age of their parents is also higher and they may be less physically able to provide the support required. My personal experience as a 39 year old first time mother with an 80 year old mother is not unique. This will increasingly become an issue as people delay child bearing.

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

If the average working week is in excess of 38 hours, the cost of child care for those in full time employment can be excessive. Full time work for both parents, which involves the child being in long term care all week, results in little financial gain, even for those who are perceived by society to be high income earners. Most of the second household income is paid toward child care, and the stress associated with the demands of work and the family make it unattractive, particularly for women.

Taxation deduction for child care should be universal and be more broadly applied than the current system whereby children attending child care centres are subsidised for their attendance. If there is real concern regarding the retention of skilled workers,

subsidies for child care should be provided to those who are in the paid workforce. Recent reports have indicated that many parents use child care centres for 'respite' care, yet many workers seeking to return to the workforce are unable to access places due to the shortage. If people are to be encouraged to work, they should be provided with assistance with child care costs, and recognition that child care centres are not the only option. Alternative child care arrangements should be recognised, and should not be means tested. If someone wants to work, they should not be discouraged from doing so because the child care costs are such that there is no financial incentive for them to work.

Recognition that child care is not just provided by child care centres is important. Child care can more flexibly be provided in the home, though at a higher cost to the individual. Not everyone wants to use a child care centre, with issues such as personalised attention, exposure to illness, and flexibility in collection times being just some of the reasons individuals choose alternative child care arrangements.

There are no supports for individuals who use alternative sources of child care. Taxation rates, combined with high child care costs, make a full time return to work extremely unattractive.

Conclusion

It is important not to lose sight of what is in the best interests of the child. The child will benefit if its parents are not working excessive hours. The child will benefit if they have individual care and attention. The child will benefit if its parents are happy and enjoy their work and get to spend time with their child.

Too many parents are having to choose between work and family. Based on the participation rates in the workforce it would appear that women are choosing their family over their work. Whilst it may not be possible for us to 'have it all', employers and the government must take some responsibility for supporting families in order that the taxation base for this country can be maintained.

There are too many skilled workers not participating fully in the workforce because they place a high value on their family, and employers do not recognise that every worker with children has a dual responsibility. It is time to address issues of working hours and taxation disincentives for dual income households with children.

I would be happy to discuss any aspects of this submission.

Yours sincerely



Ellen Edmonds Wilson