



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON FAMILY AND HUMAN SERVICES

Reference: Balancing work and family

TUESDAY, 2 AUGUST 2005

MELBOURNE

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON FAMILY AND HUMAN SERVICES

Tuesday, 2 August 2005

Members: Mrs Bronwyn Bishop (*Chair*), Mrs Irwin (*Deputy Chair*), Mr Cadman, Ms Kate Ellis, Mrs Elson, Mr Fawcett, Ms George, Mrs Markus, Mr Quick and Mr Ticehurst

Members in attendance: Mrs Bronwyn Bishop, Mr Cadman, Ms Kate Ellis, Mr Fawcett, Ms George, Mrs Irwin and Mr Quick

Terms of reference for the inquiry:

To inquire into and report on:

How the Australian Government can better help families balance their work and family responsibilities. The committee is particularly interested in:

the financial, career and social disincentives to starting families;

making it easier for parents who so wish to return to the paid workforce; and

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

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Committee met at 9.33 am**FREEMAN, Mr Shane Alan, Group General Manager People Capital, ANZ Banking Group Ltd****NASH, Ms Jane, Head of Government and Regulatory Affairs, ANZ Banking Group Ltd****STARICK, Mrs Colleen, Project Manager Child Care, ANZ Banking Group Ltd**

CHAIR—I declare open this public hearing of the House of Representatives Standing Committee on Family and Human Services for its inquiry into balancing work and family. This is the third public hearing for this important and timely inquiry. During the inquiry the committee will explore a range of issues relevant to many Australians and the choices they make in relation to having children and raising families. The committee has received a large number of submissions from Victoria and today we will hear from a range of organisations, including business groups, research centres and other interested groups. All are interested in how we can help Australians better balance their work and family lives. The committee will also invite short informal community statements from interested individuals. This hearing is open to the public and a transcript of what is said will be made available via the committee's web site. If you would like further details about the inquiry or the transcripts, please ask any of the committee staff who are here at the hearing.

Witnesses were then sworn or affirmed—

CHAIR—We have received your submission, and a very good and interesting submission it is. Would you like to make an opening statement?

Mr Freeman—I would just like to express an appreciation for the opportunity both to make this submission and to be here today to perhaps provide some more detail in support of the submission and answer any questions you may have. This is a critical area of interest for not just ANZ but our staff as well, so it is both a business issue and an issue for our staff. At ANZ we have a work force within Australia which is about 60 per cent female. The number of staff we have in Australia is about 20,000. Globally, it is 30,000. This area of the balance between work and family is one that we have paid significant attention to over the last couple of years. We think there are some things that government could do that might be of assistance to our staff and also to enterprise. We are very happy to be here and, as I say, to have made the submission and respond to any questions.

CHAIR—Thank you. I might begin with your comment that 61 per cent of your employees are female. What percentage are full-time and part-time? Also, which of them have dependent children and which do not?

Mr Freeman—The full-time work force across that group is 72 per cent and 28 per cent of our work force is part-time. In terms of those with dependants, I am not sure we have those statistics but I will provide some which might help us get at that. In any year, we currently provide parental leave to approximately 400 to 500 staff. Over the last three years, it has been about that figure. Looking at some of the statistics, the number of females who are part-time workers is 92 per cent. So of our part-time work force—that 28 per cent—most of those are

female. They might give some dimension, if you like, of the gender split and the basis on which we are working, and also our experience in terms of parental leave that has been taken through the last few years.

CHAIR—I notice that you give a week's parental leave to the father—normally the father.

Mr Freeman—Yes, the co-parenting leave, which we introduced about 18 months ago. That has been very well received in the work force.

CHAIR—I also notice, which is rather pertinent to our inquiry into adoption, that you treat people who are adopting children in the same way and give them the same benefits?

Mr Freeman—Yes. There are not terribly dissimilar issues facing parents who adopt versus parents who have children through natural birth.

CHAIR—What percentage of that female work force would be in the higher echelons of the bank?

Mr Freeman—In the structure of the bank, we broadly divide it into management groups and the non-management staff. In the non-management staff area, the proportion of females is about 65 per cent—quite high. In the management area, it varies, depending upon level. At the senior manager and manager level, the female representation figure—it varies up and down a little bit—is about 30 to 35 per cent. At the executive level, it is about 20 per cent.

CHAIR—Would you happen to know whether or not the people in that range have dependent children or fit the profile of having access to your child care?

Mr Freeman—I do not have precise figures for where our staff through those levels are either accessing parental leave or have dependent children. We are just gathering data now as part of our annual survey mechanism to try to get a better understanding of our work force across a series of diversity measures. Companies are sometimes caught in a bit of a cleft in the sense that, up until quite recently, it was just not on to ask your work force questions about ethnicity and even children, as it could have been seen as having a discriminatory bias to it. I think that there is now a growing appreciation that understanding the diversity that sits in the work force is actually helpful for both our staff and the organisation. We are just introducing a set of questionnaires that will give us a much better sense of some of these questions.

CHAIR—The reason I was asking where they are is that I am most interested, as are other members of the committee, in a system of salary sacrificing. We heard some very good evidence in Brisbane from a consulting firm about how effective this can be, and there is the fact that you have introduced it by getting a dispensation from FBT and having an arrangement with ABC Learning, from whom we also heard. People make the point that salary sacrifice can benefit those in higher areas of pay rather than lower areas of pay, although it does seem to be that that is less so than if there were a straight tax deduction. Also you make the point that the child-care benefit benefits low income earners far more than it does higher income earners. So there is room for a balance in there.

Mr Freeman—I think so.

CHAIR—You also make the point that you have, I think, 14 centres.

Mr Freeman—We have five currently and an additional six are scheduled to open through next year.

CHAIR—And that of course leaves your employees in rural and regional areas without the benefits that those in the metropolitan areas have. If you extended the salary sacrifice to be able to pay for child care in any way that the parent chose to arrange it, would you still require FBT exemption for that? Say they arranged for someone to be in their own home to look after their children, because they lived in a country area where it just was not practical to have a child-care centre, or they might prefer it that way. Would that still require an FBT exemption?

Mr Freeman—I am not sure. But let me answer your question this way. We managed to achieve an FBT exemption because the child care that we provide is deemed to be company sponsored child care. If the tax provisions were to change such that care in a person's home was deemed to be company sponsored child care then I imagine that would result in an exemption from FBT. But I am not close enough to it to know how the tax office might view 'company sponsored' or whether or not they would extend that to non-professional child-care arrangements, if I can put it that way.

CHAIR—But that could be one way that you could provide those benefits to people who are working in regional and regional Australia and in smaller centres.?

Mr Freeman—It could be.

Mrs Starick—At the moment, the ANZ also have to take over the lease of the premises. That is how we get the ATO ruling—if it is under company premises. Our ruling probably would not cover what you are suggesting.

Mr Freeman—It certainly would need a redefinition, on my understanding of the basis on which we have been able to get the FBT exemption.

Mrs IRWIN—You just stated that you lease the premises. So ANZ actually leases the premises but then engages the services of ABC Learning Centres Ltd—is that correct?

Mrs Starick—It can happen in two different ways. ABC might come to us with a premises. They say they are opening a child-care centre in a particular suburb, and then ANZ takes over the lease of the premises for the period of the lease.

Mrs IRWIN—And so an ANZ employee would have priority over someone who lived in the area who was seeking child care—is that correct?

Mrs Starick—That is correct. When we enter into the arrangement with ABC we receive priority enrolment before the centre opens and also going forward, and there is the salary sacrifice. Obviously, we try to find out where most of our employees are living and working to know where to open up particular centres.

Ms Nash—We find that that is something that is valued by our employees because, as you realise, in some areas it is quite difficult to get your child in. So that priority enrolment is valued.

Mrs IRWIN—Going back to child care, on page 11 of your submission you explain about the ABC Learning Centres Ltd and how employees get priority. If an employee did not want to enrol their children in an ABC Learning Centre but wanted to choose their own, would they still have those special benefits that you have stated?

Mrs Starick—No. The arrangement is with ABC Learning Centres at particular sites.

Mrs IRWIN—So they do not have a choice?

Mr Freeman—No. It is only where—and again this comes down to the tax ruling—we are the holder of the lease. Our own staff have asked this question. ABC Learning Centres are all over Australia; they might ask to go to a particular one and we have to say, ‘We are not the leaseholder there.’ We select the areas or the centres where we choose to be the leaseholder based on some analysis we have done of our own work force. A couple of years ago we surveyed our staff and asked, ‘Is child care an issue for you?’ and ‘What would be helpful?’ It came out that access to child care was a real issue. People have monetary issues, but access to child care is a real issue. We had 800 staff say it was an issue for them and so we have a strategy that has corridors we look at, and we ask, ‘Where do we take a lease?’ It is only through doing that that we are able to say to our staff, ‘You can salary sacrifice your child care through the centre here.’

Ms GEORGE—Why don’t you offer the option of salary sacrifice to all regardless of where they place their children? I understand the FBT benefits you get through the arrangement of work related child care, but what is the impediment to extending salary sacrifice?

Mr Freeman—It becomes a very significant cost impost on the organisation or on the individual in terms of the FBT that would apply to it.

Mr QUICK—Have you got numbers? What impact would it have on a bank as large as the ANZ?

Mr Freeman—I do not have the specific numbers.

Mrs IRWIN—You might like to take that on notice and get back to us.

Mr Freeman—I could provide the numbers separately. I just do not have them here. We have looked at this, and it is a significant impost.

Mr QUICK—But you mentioned you are only talking about 800 people that are interested in child care. If that is the number that are interested in getting their children into child care in order to have a flexible, family friendly workplace, one would think that, as Jennie said, you would have some alternatives, rather than just ABC, take it or leave it. For 800 people there would not be a great cost to a bank as large as the ANZ.

Ms Nash—We will take that on notice and come back to the committee.

Mr QUICK—Are any other banks doing the same thing? Is there any sense of cooperation? As the chair said, in some of the larger regional areas it might pay for the big three or four banks to have some cooperative endeavour in order to have a far happier work force, rather than one bank carrying the can, as you seem to be doing. You seem to be leading the charge at the moment.

Mr Freeman—We have had discussions with another bank about a joint centre. This is one in Sydney. Those conversation are progressing. So where we can, that would make sense and we are open to those discussions with the other banks. We have initiated some.

Mrs IRWIN—I wish to go to page 4 of your submission—and I find it quite interesting; I congratulate the ANZ Banking Group for it—to the vision for nursing mothers. How many mothers are using the facility that you are offering? I think you were saying that you have nursing mothers rooms at four of your major CBD locations with a fifth to be opened in coming weeks but that agreement has to be reached between the parent and their line manager. How is that working? How many mothers would be taking up that offer?

Mr Freeman—We do not have data. We do not survey or log room usage. We do not do that. We make the facilities available.

Mrs IRWIN—For an employee who is breast-feeding a child—is that correct?

Ms Nash—That is exactly right. The room is there so if you are breast-feeding your child or if you need to express milk during the day you have a facility that you can go to to do that.

Mrs IRWIN—Also in your submission there is mention of flexible working hours. You stated that where possible all meetings should be held between 9 am and 5 pm. We have heard from the Australian Computer Society, who recently released a policy recommendation to restrict meeting times to between 10 am and 3 pm. Would the ANZ Banking Group support that recommendation made by the Australian Computer Society?

Mr Freeman—As a general blanket policy across a very large organisation, we set 9 am to 5 pm to really put some markers down as to what represents responsible behaviour. Hopefully, we have a culture within the organisation—and this is certainly something that we have been working towards—whereby the calling of meetings—forget about what time it is or whether it is even between 10 pm and 3 pm—can occur taking into account individual needs. The question that you raise is one that we have just been talking about over the last week as to whether or not we actually do this. Frankly, there is a sense in business right now that, given the number of meetings that occur, to fit them between 10 pm and 3 pm is likely to be a bit of a stretch. Again, we look for managers to be very clued into their own staff as to what works for them and to organise around that.

Mr FAWCETT—You said there is a great need for child care. Do you have any figures that show whether that is predominantly out of school hours care or long day care? Where is the primary need?

Mr Freeman—The initial survey that we did in 2001, which I referred to before, showed that 800 of our staff were interested in access to child care. That was predominantly around long day child care, and that has been our focus.

Mr FAWCETT—With the centres that you have open, which are obviously open to the public as well, do you have to meet any percentage, if you like, of ANZ employees versus general public as a threshold to meet your FBT obligations?

Mr Freeman—No, we do not.

Mrs Starick—That is right. Some of our centres have low numbers of ANZ employees, but some have quite high numbers.

Mr FAWCETT—I will give some background to that question. To a certain extent, this can come back to your corporate citizenship program. I have worked with a number of smaller communities in my own electorate, and there is a demand for child care, but often all that is needed is somebody to take out a lease on a building and a provider will then be happy to come and run a service. With the CCB in place it is cost-effective, but providers need that certainty of somebody saying, 'Here's a building.' Have you considered extending the program, even to areas where you have a very small number of ANZ employees, such that they get the benefit but also a community benefit flows from that?

Mr Freeman—Not from a purely community oriented perspective. For most of the five centres that we have, the ANZ staff are in the minority. When ABC opens a centre it provides, if you like, some overflow for the local population. We do have quite a clear view as to where our staff have the greatest need. Again, in most centres we are in the minority, and that benefits the broader community generally.

Mrs Starick—We have been in discussions with ABC about potential joint ventures with other corporates in the future. Particularly in rural or regional areas, where child care is still an issue, only a small number of staff might take it up. But, if other corporates are willing to come into partnership with us at those ABC centres, we are going to consider those. We have not gone down that path yet because we are still setting up the major need centres.

CHAIR—What is the nature of the ATO ruling? Is it a private or public ruling?

Mr Freeman—I think it is a private ruling.

CHAIR—Are you the leaders in this field? Among your colleagues in the Business Council of Australia, for instance, are there many peer corporates who have gone this route?

Mr Freeman—Apparently Westpac have gone there as well.

CHAIR—Is it Westpac you are having the discussions with?

Mr Freeman—Yes.

CHAIR—Would you be prepared to release that ATO ruling to us? You can do it confidentially or as a public document.

Mrs Starick—Yes, we can do that confidentially.

CHAIR—Thank you very much. I would be very pleased to see it.

Ms KATE ELLIS—One of the issues that was raised to this inquiry in another submission was that there is a serious difficulty in getting people to take up family friendly benefits, even those they may be eligible for. It has been suggested that this is because of the changing nature of work and the fact that people are being forced to work longer hours or in a more competitive environment, so they might be putting off that decision to have children even though they would be eligible for these benefits if they did. Have you seen any evidence of that in your organisation? I think it is fantastic what you are doing to support ANZ employees who have children, but I am also wondering whether or not you think that the nature of work today is putting off some of your employees from making that decision in the first place.

Mr Freeman—I think it is a bit of a mixed bag, frankly. I can give you some numbers which indicate that maybe people are taking up the policies. We do have great policies but I am aware that there are some people who do not feel they can avail themselves of them. I will share some numbers with you that indicate maybe people are seeing these policies are for them. We have quite a high incidence of people returning from parental leave. Those numbers are 80-plus per cent over the last three years. Of those, there is a proportion—it has varied over the last few years—that return and take up a policy which says you can return from parental leave into part-time work. Again, a lot of this comes down to individual choice but the numbers over the last couple of years have averaged at about 10 per cent. It has been up and down a bit but people are returning from parental leave and accessing part-time work.

Our carer leave averages a couple of days a year for those who avail themselves of that policy. About 3,000 to 5,000 people over the last four years have availed themselves of carer leave. I am just giving you a bit of a snapshot. These figures would say that maybe people do see that these policies are available for them. We have lifestyle leave, which is where a staff member can choose to take up to eight weeks leave a year—rather than four weeks—and can have the consequent pay reduction, if you like, smoothed over the period of work. It is fabulous for particularly those with child responsibilities through school holidays and things like that. We have an increasing number of people taking lifestyle leave. There were about 330 people last year. That is a new policy. In the first year it was only 80 people but now it is 330.

Mrs IRWIN—Would that be married couples or single parents?

Mr Freeman—It is hard to say. We have a lot of single parents. I imagine there is a representation of single parents in there.

CHAIR—Would that be a preponderance of single parents of dependent children?

Mr Freeman—I do not know.

Ms GEORGE—There is probably a percentage returning to part-time work. I think that is a really big issue. I notice in your submission that the option of returning to work part time depends on agreement with the line manager. Is there any reason why it is not bank policy to allow that option automatically? I guess in a situation where you have a small number of people it may be necessary but what about in your major operations?

Mr Freeman—I am not aware that it has been an issue. We have quite a vocal work force. We have processes by which people can ventilate, if you like, if things do not work—and we do get our share of those. That is not an area from which I have had feedback that says, ‘Hey, look, you say you have this policy but somehow I cannot return to work.’

Mr QUICK—Can you explain what a line manager is? I know what a branch manager is.

Mr Freeman—That is shorthand for a person who is the supervisor of others. It could be a team leader, a supervisor or the branch manager.

Ms GEORGE—When do you require the employee to return from parental leave?

Mr Freeman—There is up to 12 months for parental leave. Some of our staff utilise another policy in conjunction with that which is a career break. Staff can have a number of years off and still be able to return to their job. That is up to five years off for a career break. It varies, but in any year we have about 150 people taking career breaks through the organisation. They tailor it to their own needs. I am aware that some people take that in conjunction with parental leave.

Mrs IRWIN—That career break is interesting. You were saying that they take a number of years off. When they return to the ANZ bank—let us say they take five years off for the time that the child is at home, before they start kindergarten—does that parent go back to the same job that they were doing? If not, does the ANZ bank offer them retraining for that five-year period they were not in the work force?

Mr Freeman—The intention of the career break for people to return to the job that they left, but life moves on sometimes—five years is a long time and departments change and come and go.

Mrs IRWIN—Let us just say two years then.

Mr Freeman—Most people do come back to the same area. We have a number of policies that aim to keep people in touch with ANZ while they are on career breaks. There is an ANZ alumni email, which goes to people on career break on a monthly basis. If retraining is required—certainly on those lengthy times out, things do change—we retrain our staff.

Mr QUICK—I am interested in this keeping in touch and the choice between taking 12 weeks and 24 weeks. It is a vast difference if you are out of the work force for 24 weeks. How do you ensure that there is flexibility if someone takes 24 weeks leave in June and the ANZ is running an updated computer course in September that that person is interested in? Is there flexibility for them to come back and do that course and have it on their CV and resume so that they are not disadvantaged because they have not had the opportunity that someone else who is normally on their team has had because they are in the work force?

Ms Nash—That can occur in a variety of ways. I actually have two of my team members on maternity leave right now. I keep in touch with them in a number of ways. I phone them regularly, I keep them on the email distribution list for our regular communication. One of them is studying as well while she is on maternity leave, and we pay for her study. So it comes down needing to allow for the fact that individuals are individuals and you can use a variety of means to keep in touch. One of the women on leave at the moment—the one who is studying—is quite active on email because she has remote access from home. The other one is less so. It depends on what that staff member wants, to a large degree.

Mr QUICK—Is this keeping in touch a line manager policy—if you have a great line manager who is interested in promoting the best staff arrangements possible, because they want that team to stay together—is it a state line manager’s decision or is it an overall bank policy?

Ms Nash—I understand it is a policy that we are working on introducing. Am I correct about that?

Mr Freeman—Yes. We have these policies to meet individual employee needs. You can see that, if I just take the career break policy, with an organisational 20,000 people it is not abused. I think some big employers would look at it and say, ‘What? You give people time off and then they come back two years later—the world is going to fall apart.’ It is not abused. People are pretty sensible about what they take and what they can afford to take in terms of time off. Likewise, we have an interest in making sure that, as we have this policy, people when they come back to work are as skilled and capable and can move back into the work force very easily. One of the ways we do that—and this again is part of keeping in touch—is by providing all new staff joining ANZ with access to a program called PCs at Home. It is heavily subsidised access to a PC in your home with internet access. You get that for about \$40 a month. That enables staff to keep in touch with ANZ. Part of that is to access training at home via our training system called e-train. So it is very alive, and we do not mandate it. But a number of our staff actually want to keep in touch, because they know they are coming back.

Mr QUICK—What number of people are availing themselves of this PC opportunity?

Mr Freeman—Just about everyone that joins us. The majority that join us would say, ‘Yes, sign me up for PCs at home.’

Mr FAWCETT—You have a lot of flexibility in your workplace: the lifestyle leave is a fantastic option, which I have never heard of before. You have mobile mortgage lenders, who work well outside the 9 to 5 hours; call centre operators; the executive; bench staff, who are serving people; all these different options for salary and leave et cetera. Are they all completely flexible options within, for example, an EBA or do you have people on contracts? How do you manage that range of flexible options and are people making a choice and locked into that for a few years, or is it an ongoing flexible arrangement?

Mr Freeman—Most of these policies that we have talked about are not in our EBAs; they are policies that we think make sense for our organisation. I think they stem from a world view you have about your work force: are they bright, are they responsible, have they got the maturity to make judgments that work? It seems to work well for people who are availing themselves of these policies. With most of these policies you do need to agree these things with your line

manager, otherwise the line manager really does not have an opportunity to organise work around that. To help the structure of things like lifestyle leave, we say, 'You need to flag how many weeks you are going to work in the following year before that year starts so we can plan around that.' We have got mechanisms that enable us to plan and accommodate the policies that we have in the organisation. I have to say that, in all the policies we have talked about, I do not have a sense of abuse around those at all or, frankly, that they make our business onerous to manage.

Mrs IRWIN—If an employee is not happy with a decision that has been made by the line manager, what option would be open for that employee?

Mr Freeman—There are a couple. We have a grievance procedure, which encourages staff to take it from their line manager to their line manager's boss. We have also got a process called FORUM—I cannot recall what the acronym stands for. Essentially it is a mediation service. If you take an issue to your boss's boss and you are still not satisfied, you can then get access to FORUM, which is an external professional mediation service. That is one way. You can always bring in the union to represent you. For some people that is a more viable course. This is probably more a reflection of our CEO than anything else: our CEO, John McFarlane, has his own home page on our intranet. CEO Backchat tends to get people who have great ideas, people who have grievances, people who have a broader contribution they want to make to the organisation. So there are a few mechanisms there.

CHAIR—Can I ask you whether or not the average age of your work force is increasing?

Mr Freeman—Let me refer to my colleague. The answer is yes, and I will provide you with some specific detail. It sounds like we are ageing by a couple of years each five years. The average age is now in the late 30s—38.

CHAIR—I wonder if, at the same time, you could tell me whether or not the turnover rate of your staff is actually lengthening—whether employees are staying with you longer?

Mr Freeman—Let me get some specific numbers on that as well, to see if that has changed over time. I can report, though, that our turnover rate has slowed over the last few years. I do not have the numbers with me of what that means in looking at median years of service. Currently, our median is about eight years of service. I will draw some figures, go back over the last five years and see if that is lengthening.

CHAIR—Thank you. Other data will show that if your work force is in fact ageing, or rising, so you are probably using more mature age workers, normally your turnover rate will drop. That can be simply because they have got a stronger commitment and because of the policies you put in place. I would be particularly interested in how that applies to women with children, too. On that, from another submission we have got today, the ABS figures show us that only 31 per cent of all employees in Australia have dependant children. I think the sorts of policies that you are introducing are terrific. As I said earlier, I am impressed with the submission and the work you are doing, but what you are doing would be impossible for small businesses, particularly microbusinesses, who just would not have the facility to do that at all. I was wondering whether or not there is a trend for people who want to become parents or people who have dependant children to be more inclined to work for a larger organisation where they have the opportunities

that you afford. If you have any evidence of that, that is what I am interested in. I suppose the only other alternative is for people to be self-employed and make their own decisions. I know that quite a few of them would do that. I wonder if your average of people with dependant children is higher than that 31 per cent.

Mr Freeman—I think we would have trouble identifying that at the moment. It goes back to the census questionnaire that we are launching later this year. That will start to give us that sort of information. It is not data that we have readily collected to date.

CHAIR—I would be most interested in seeing the data when you do acquire it, if we could have it at a later date.

Mr QUICK—Is that census similar to the questionnaire type thing you did in 2001? You are updating the information regarding workers' flexibility and opportunities, the buddy system, and working families—all the options? Is it a family friendly census?

Mr Freeman—It will give us some of that, but it is meant to give us a better sense of the texture of our work force. These questions will not be compulsory for our staff to answer, but they will give us some insight into ethnicity, marital status, number of children and the sorts of questions that we have struggled to answer here because we just have not collected that sort of data.

Mr QUICK—Where does your subgroup of the organisation fit into the great scheme of the ANZ? Who does it answer to? You are saying, 'Look, we need to get in touch with the ABC because child care is a real policy issue.' Where is your next line manager up?

Mr Freeman—Me, personally?

Mr QUICK—Yes, and the subgroup that you represent.

Mr Freeman—I report to John McFarlane, the CEO of the bank. That probably says something about just how important we see our broader people policies as being. This is one part of those. Represented here are people from my group, the people capital group, and Jane, who is with corporate affairs. The carriage of these issues has a relatively senior positioning within the bank.

CHAIR—I turn to the other thing that you are doing which I find quite forward looking—that is, you extend these policies for elder care and disabled care, which is going to become an increasing issue. Do you have many people who are in that situation: who have either disabled relatives or older parents to look after?

Mr Freeman—I can only talk on the sorts of numbers that I touched on earlier. One of the questions in our census is going to give us a sense of who has caring responsibilities for children, those with disabilities or the elderly. If we look at our carer leave statistics—and this could be people who take leave to care for children or for elderly or disabled relatives—we find that it is averaged pretty consistently at about two days a year for the number of staff who avail themselves of that. I think I indicated earlier that it has varied over the last three years between 3,000 and 5,000 staff. It surprised me a little when I saw just how large those numbers are when

you are thinking of a work force of 20,000. There is obviously a need there that this policy is meeting.

CHAIR—In your own submission you say:

It is estimated that 20% of Australian employees have caring responsibilities for elderly people or people with disabilities.

That is a pretty high figure. I congratulate you on doing that. I might go back to the tax question. Quite a lot of work has been done on this. We saw some evidence that has shown that the money that the federal government is paying by way of child-care assistance in all its various forms has acted like seeding money and has contributed to a net growth in the tax revenue, because it has created a new industry: the child-care industry, which has created new jobs. The taxpayers who are in those new jobs are contributing more than the seeding funding put in. A lot of work is also being done on the plan you are using of salary sacrificing. Have you worked out whether the salary sacrificing method that you are using, and which enables people to remain in good, productive employment with you, has actually given you a net return?

Mrs Starick—It is fairly early to talk about that. We have five centres open at the moment. Our biggest centre opened in November last year, so we have really only had seven months of high take-up in that centre, which is in the Melbourne CBD. Maybe six to 12 months down the track we might find higher return to work figures as well. It has certainly been well received by staff. As you mentioned, there are always those parents, even in outer Melbourne, who will say: 'I live in this suburb. What are you doing for me out here?' That is something that the ANZ is very conscious of. In particular, looking at the child-care rebate that is proposed at the moment, ANZ sees that as a good thing for our employees, because the staff who cannot access the centres we have set up will hopefully be able to use the CCB and the child-care rebate that are proposed going forward.

CHAIR—It is capped, though?

Mrs Starick—That is right, but we will never be able to open a centre in every second suburb for everybody.

CHAIR—But, if that definition were to be such that you could extend the salary sacrifice to all your employees, with the FBT exemption—and this is why I am so interested to look at the ATO's ruling—that would be a far more equitable treatment of your employees, wouldn't it?

Mr Freeman—It would in that everyone would then have access to it. It would, though, advantage higher paid staff over lower paid staff.

CHAIR—Most things do when dealing with tax.

Mr Freeman—It would certainly solve the issue that we referred to: the accessibility for our staff in remote areas.

CHAIR—At the moment, the advantage you are giving is to people who are lucky enough to live in big areas that can support a child-care centre and, irrespective of the benefit that is conferred, the problem that faces working parents remains constant?

Mr Freeman—Yes.

CHAIR—If it has an overall benefit—at whatever level of remuneration—and the relationship and the family remain intact, because we have removed pressures, then that is an overall public good.

Mrs Starick—I guess one of the advantages of salary sacrificing is that it is immediate. You receive that benefit on a fortnightly basis and, while I am aware of the proposed legislation for the rebate—

CHAIR—You will not benefit yet?

Mrs Starick—You do have to wait a substantial time, which can be a strain on some people's financial position.

CHAIR—That is why the ABC Learning Centres are allowing people to take advantage of the benefit now and repay it when it comes in in 2006.

Ms GEORGE—In relation to the ABC, do you have any restriction on the age of children who can access the centre? Are there differential costs for the different ages of the children, because it is a 'for profit' organisation?

Mrs Starick—Each centre is different. The age range is from six weeks to five years. The ABC centres we use at the moment do not have a before and after school arrangement but, in the early stages, we spoke to the ABC about that being a possibility for, say, children of school age. In some centres the cost is slightly higher for children of younger years. I am not a child-care expert, but I believe it is based on the number of staff that you need per child.

Ms GEORGE—Do they take babies—the under-two-year-olds?

Mrs Starick—That is right, six weeks until five years or until school age. I believe there are a number of ABC centres that also look after before and after school children and have school holiday programs.

Mrs IRWIN—Why did the ANZ choose ABC Learning Centres?

Mrs Starick—A couple of years ago the ANZ did extensive research into child-care providers and we were looking, from a national perspective, at entering into a relationship with a company that could service all our staff and also, going forward, New Zealand. The research was done about three years ago, and at the time there were not many big players in the marketplace with child care, and the ANZ put out a tender to a number of organisations and ABC was the successful company that the ANZ took on.

Mr QUICK—You mentioned salary sacrificing benefiting those on higher incomes. Am I right in saying that most of the people who want to access child care would be those who have not been working long for the ANZ, who are on lower wages and who are just starting out in their careers—women of child-bearing age?

Mrs Starick—No.

Mr QUICK—Wouldn't there be a far greater percentage in that area; rather than perhaps people aged 35 to 40-plus, who are at a potentially senior managerial level? Isn't the argument a bit fallacious?

Mrs Starick—We have many people at all levels of the organisation and some of the people who work for the ANZ are fathers who put their children in the centre, so it is not always the females. We have a spread of different levels of income earners in all of our centres, so it is not just the lower income earners. We certainly have people on a lot higher income also using salary sacrifice.

CHAIR—What would be the majority who are using it?

Mr QUICK—I would be interested if you could give us some figures because, when we come up with recommendations, the bureaucrats will say, 'Can you give us chapter and verse?' So the more information you can provide to us so that we can float some of these things, the better our argument will be.

Mrs Starick—We can certainly do that.

CHAIR—It is a good argument, though. You are earning less during your child-bearing years than you are when the children are grown up. I was interested in the point you made. If you have a father working for the ANZ bank and the mother working elsewhere, the father is entitled to take up the position.

Mrs Starick—That is right.

CHAIR—That is good. So it is either parent?

Mr Freeman—Yes.

Ms GEORGE—Just going back to the part-time return to work, all the studies seem to suggest—and I think anecdotal evidence would support this too—that if mums had the choice they would like to stay at home as long as possible while the child is pre school age and return to work on a part-time basis if that were possible. You said that there are processes internally where employees can raise their concerns. Is that an issue? I worry about the statutory right of the job being held open for just a year when it does not seem to accord with the preferences that women—particularly women, who still carry the load—state. Does it come up?

Mr Freeman—I have had one grievance—this is real life—that got to me. This is an extreme example and it probably says something about our policies. It got me rethinking our policy. The grievance was from a staff member who was about to go on parental leave and wanted to take, in conjunction with the 12-month parental leave, a career break. This particular staff member was a very long-term planner because she then wanted to have another 12 months of parental leave at the end of the career break. So we would not have seen her for seven years. That is at the extreme end of how a grievance would come to me. The employee came to me and said, 'Well, I think that's reasonable. I have just added your policies together and I have come up with seven

years.’ As a management group we say, ‘How can we run the business with people not being here for seven years?’ Work itself changes significantly over that period of time. We were able to come to an understanding with this person about how we would manage her needs. But I do not get the noise that—

Ms GEORGE—That a year is too soon?

Mr Freeman—Yes. Hopefully, we have our fair share of good managers and we probably have our fair share of bad ones as well, but we have very clear policies that are communicated. Expectations are very clear in terms of these things, as well. So that general environment is helpful.

Ms GEORGE—You say that the rate of return from maternity leave is about 80 per cent now?

Mr Freeman—Yes.

CHAIR—That is good.

Mr Freeman—Yes.

Ms GEORGE—So you have about a 20 per cent resignation rate?

Mr Freeman—Yes.

CHAIR—I would have thought 80 per cent was an improvement over what it might have been previously. Is that true?

Mr Freeman—I am looking at the exact figures.

Ms GEORGE—It would be interesting to know what the trend has been.

Mr Freeman—In 2003 it was 81 per cent; in 2004 it was just under 85 per cent, 84.7 per cent; and from January to April this year it has been higher, 88 per cent. They are good numbers and it is valuable for us as an organisation to reincorporate those people back into the work force

Ms GEORGE—That is terrific. And there is no requirement to return to work to get the paid maternity leave?

Mr Freeman—No.

Ms GEORGE—There is such a requirement in some occupations.

Mr Freeman—No, we changed that policy about 12 months ago.

Ms GEORGE—So there had been a requirement that they had to come back to get their paid maternity leave?

Mr Freeman—They got half of it up front and half of it when they returned. We changed that policy about 12 months ago. In conjunction with that we introduced a policy which said there was no qualifying period to access parental leave, either.

CHAIR—It would be interesting to do a graph that showed the rate of return increasing, as it has does, with the increasing rate of house prices, wouldn't it?

Mr Freeman—I think they are somehow correlated.

Ms GEORGE—No doubt you have concessional loans for your colleagues.

Mr Freeman—Unfortunately they attract FBT.

Mrs IRWIN—We will note that.

CHAIR—Does that mean the concessional loans have lessened?

Ms Nash—They have gone, in fact.

CHAIR—They are all gone?

Ms Nash—Yes, some years ago.

Mr Freeman—They do not exist. There is not too much that escapes FBT these days.

CHAIR—Was that as a direct result of the FBT policy?

Mr Freeman—Yes. That benefit and a whole bunch of other benefits were regarded as staff benefits and were incorporated, perhaps 15 or 10 years ago, into the total package—and attract income tax instead.

CHAIR—We thank you for that submission and for the information you have been prepared to share with us. We look forward to receiving that additional information. If there is anything else we find we might need to discuss with you I take it we may come back to you?

Mr Freeman—We would be happy for that.

CHAIR—Thank you very much. I think I can say on behalf of the committee that we are impressed that the bank is taking this attitude to looking at the problem, doing something about it and not waiting for people to pass laws to do something about. You are looking after your work force in that way.

Proceedings suspended from 10.36 am to 10.46 am

ANDERSON, Mr Peter, Director, Workplace Policy, Australian Chamber of Commerce and Industry

HARRIS, Mr Chris, Senior Adviser, Workplace Relations, Australian Chamber of Commerce and Industry

CHAIR—I welcome representatives of the Australian Chamber of Commerce and Industry.

Witnesses were then sworn or affirmed—

CHAIR—We have your submission, for which we thank you. Would you like to make an opening statement?

Mr Anderson—Yes, thank you. The Australian Chamber of Commerce and Industry is pleased to be able to appear before the committee and assist in its consideration of the terms of reference, particularly those dealing with work and family issues. Given the significance of those issues in Australian public policy it is both a timely reference to the committee and a pleasure to be able to put forward submissions on behalf of ACCI and our collective body of employer organisations.

As our submission identifies, there are a number of dimensions to the perspectives that ACCI seek to bring to the consideration of the committee. Our work with industry associations on work and family issues has occurred at a number of different levels: at a promotional level, at a policy level and at a conciliation and arbitral level, in terms of industrial proceedings. Our activity in this area is recognition of the importance of the issue in the contemporary workplace environment, both in dealings between employers and employees and also in terms of achieving the national goal of increasing work force participation.

Our submission identifies a number of key areas of activity that we are involved in. In terms of promotion and partnership activities, we are one of the principal partners in the National Work and Family Awards. At the moment, these awards operate on a biannual basis, and ACCI is directly involved in them. Personally, I am involved as a judge of those awards, a process which over a number of years has involved going out, conducting workplace visits, assessing applications and speaking to employers and employees about work and family initiatives, particularly those who we might say have achieved high levels of practice or best practice.

In 2002 and 2003 we also developed a formal statement on work and family policy. This was the first occasion on which multiple employer organisations had been brought together to develop a structured and collective statement of principles dealing with work and family issues. That statement forms the parameters around which we conduct our work and family policy, make our representations to this committee and also make our representations to other forums.

Of particular note to the committee are the activities in which we have been involved in the Australian Industrial Relations Commission in recent years, most particularly as the lead employer representative in what is known as the family provisions test case. It is a proceeding

which is before a full bench of the Australian Industrial Relations Commission. It has been the subject of both conciliation and arbitration.

As a result of the conciliation process, a number of issues between us, other employer bodies and the ACTU have been agreed. A number of issues have gone to arbitration. A decision on both aspects is reserved in the sense that the commission has yet to sanction the conciliated agreement that has been reached and also the commission has yet to deliver its decision on the arbitrated matters that were before it. A decision in this matter has been reserved for a number of months. We do not know yet when a decision will be handed down but it does present itself as the most significant consideration by the commission of the work and family interface in our contemporary workplace since the commission developed its maternity leave standards throughout the eighties and into the early nineties.

In addition to our work through the conciliation and arbitration system, we are also actively involved in publications, presenting speeches, assisting members with advice on work and family issues and also representing employers in international debates on matters that relate to work and family, such as debates in the International Labour Organisation on, for example, the family responsibilities convention and the like.

Finally, I draw the committee's attention to the interaction that we have with a number of government authorities at the federal level, particularly the Human Rights and Equal Opportunity Commission and the Sex Discrimination Commissioner. We frequently make submissions on issues which touch on some of these matters that are raised by the Sex Discrimination Commissioner.

We operate at a peak national level, which means that our member organisations, either in their industry sectors or through state based chambers of commerce and industry, operate directly with state governments on matters of state policy. We do not involve ourselves actively in those matters although we recommend the collective policy framework to our members in those respects.

The terms of reference of the committee cover a great deal of the ground that we involve ourselves in. In a number of respects the terms of reference also draw on other issues dealing with government policy, such as taxation policy and other important areas such as training and retraining. My expertise and Mr Harris's expertise is in the industrial relations area but we have referred in our submission to some of the other areas. We have other officers inside the organisation who have specific expertise in these areas. If the committee requires further information or material on, for example, our tax policy and how this interacts with work and family issues, then that is a matter that we can explore today or at a later time. With those few comments by way of opening statement, we thank the committee for the opportunity to take questions if there are any.

CHAIR—Thank you very much, Mr Anderson. I wonder if I could begin by asking you for a few more stats. You say in your submission that you represent organisations and firms that in fact cover four million Australian workers. I think we have about 10 million employees these days, so that is a pretty large chunk. You say there are 55,000 firms with 20 to 100 employees, 280,000 firms with less than 20, and the top 100 companies. Out of those three categories, which category would have the most employees?

Mr Anderson—The distinction between the size of businesses and the most employees is obviously not parallel to the distinction between the size of the employers. Based on the ABS data, it is apparent that just over 50 per cent of Australians are employed in what we would regard as larger businesses, and not in the small business category.

CHAIR—What would your definition of that be?

Mr Anderson—If you are using the ABS definitions, traditionally they have applied a definition of 20 employees in the service industries and up to 100 employees in the manufacturing industries. On the basis of that type of criteria—based on the ABS data—we estimate that just over 50 per cent of Australia's employees would be employed in non small businesses.

CHAIR—What percentage would be employed in the top 100 companies?

Mr Anderson—That is not something that I immediately have to mind. I would have to make a best-possible estimate, in that regard. It might be in the region of 20 per cent of Australia's employees, or something like that. But that is very much an estimate, and I would ask the committee to treat my answer on that basis.

CHAIR—So we have quite a lot of people who are right down there, in microbusinesses and single mum-and-dad type operations.

Mr Anderson—That is right. And in a lot of the smaller businesses there is also the phenomenon of family businesses, where the line between employer and employee is very grey.

CHAIR—The tax office likes to sharpen it up!

Mr Anderson—That is right. The family members in those businesses are, for many industrial purposes, not regarded as employees. They are an arm of the employer but they are also working as employees in a business.

CHAIR—I notice in your submission that you say:

Introducing work and family measures into a workplace without imposing additional costs—

presumably you are referring to the employer—

is the best way to maintain employment and expand job opportunities.

We have been adding 170,000 people to the work force annually for about the last decade at least. On projections, if we keep employing the same type of people, come the years 2020-30 we will add only 125,000 for the entire decade. So, clearly, to find those new employees we have to have mature age workers and we have to have women coming back into the work force. We know that the participation rate for women is the highest it has been. Do you have figures on how quickly that participation rate is escalating for women, and who they are?

Mr Anderson—Yes. I have seen data about the growth in work force participation by women, and that data has shown a gradual trend up, particularly over the past 20 years. It would appear to be due to a combination of factors, some economic, some social, and some policy. It has been a gradual increase.

What is equally clear in terms of forward projection is that, with an ageing population and with an ageing work force, one of the labour market challenges for the nation is to increase work force participation in two respects. One is to bring people who are not currently in the work force but are of working age into the labour market; the other is to retain, within the labour market, people who are currently in it but who, as history shows, either drop out for long periods of time—for example, as the result of having children—or, when they reach an age when they could take their superannuation, drop out altogether from the work force. There is also the category of those who drop out because they sustain work related injuries or the like and cannot re-enter the work force on an ongoing basis. So part of the challenge is to address the participation levels in the work force. It is not just a question of bringing people in; it is also a question of retention. That goes to a number of issues of work and family policy. It certainly goes to issues of child care. It certainly goes to issues of training and retraining on re-entry into the work force after periods of absences.

CHAIR—Have you got a graph that shows the re-entry? Do you know who these people are? Are they basically mothers returning to the work force, or are they mature age workers? I know there is evidence of mature age women coming back into the work force.

Mr Anderson—I do not have a graph of that and I have not seen a disaggregation of that data but the type of picture that was painted to us as we prepared our case for the national work and family test case—the family provisions case—was that traditional re-entry has particularly been after periods of maternity leave. But increasingly there is a focus by industry and also individuals on ways to enter or re-enter the work force after long periods of absence—that is, when people are into middle age, as distinct from their 20s. We also had some data in that case of generally childbirth occurring slightly later—

CHAIR—Not slightly later.

Mr Anderson—In some cases, much later.

CHAIR—Many first births are now to women who are well and truly in their 30s. That is a big shift.

Mr Anderson—That is right. I think the Sex Discrimination Commissioner has done a lot of work on that in terms of advocating a system of paid maternity leave.

CHAIR—If mothers who want to return to the work force have had their child-bearing later in life, they have actually acquired quite a lot of skills. When they left in their 20s, they probably did not know too much but, having remained in the work force that longer period of time—I am sorry about that, Kate!—they are likely to have acquired many more valuable skills which can be honed. They are easier to reskill and bring up to a productive work force rather than having to start at de novo.

Mr Anderson—Absolutely. That is certainly the feedback and, to a degree, the evidence that was actually brought in that case of the skills acquisition. It goes very much to the issue of cost. You drew my attention to the issue of cost. Cost in this area is a very real issue for industry but it is equally important that industry does not see cost in this area in a narrow context. It can be a direct cost for business but, over a period of time, that cost can be ameliorated, particularly if you are bringing back into your work force people who you have invested skills in and who have acquired skills that you need to productively access that you would not otherwise be able to easily acquire. So there are some issues of cost in terms of the re-entry of people into the work force.

I think it is important in this area—and it was certainly critical, in terms of our presentation at least, in the work and family case—that we move away from trying to generalise too far in this area. The types of businesses where, on a cost-benefit analysis, there is a strong net benefit in keeping jobs open for long periods of time, so that people will come back, tend to be those businesses where specialist skills are required—where there is considerable investment in training and those specialist skills and that investment is not easily accessible, even over a longer period of time. Against that, though, technology is obviously a key determinant of the way industry operates, and the fast pace of technological change is a particular challenge for people who have been out of the work force, even for relatively small periods of time.

CHAIR—Prior to you, in their evidence, the ANZ bank talked about a policy of allowing employees to have access to an online e-training program, in order to allow them to stay on top of things while on parental leave. That seemed to be innovative. Is there much evidence of that occurring?

Mr Anderson—There was some evidence of that occurring at the larger business level. This is the kind of situation where the point I make about generalisation being helpful in one respect but unhelpful in others is relevant. That type of mechanism is the product of two forces at play. One is an assessment made by the business of the business case for providing that type of mechanism. In other words, it is in the interests of the business to achieve a very high rate of return to work after periods of maternity leave—so that there is no lost investment. It is also a product of the capacity of the business to put in place a system like that which can operate effectively.

CHAIR—But, equally, everybody used to be accustomed to the baby boom meaning that there was always a huge number of kids coming on the market who were cheap. You could put them on, and it did not matter if someone never came back; you really did not care. That has all changed, because they are not there any more—they were not born. So, despite the fact that it might be more difficult for businesses to take on someone who has been out for 12, 18 or 24 months, it is going to be a necessity, because there will not be anyone else.

Mr Anderson—I would agree with that and perhaps add an additional perspective. At the larger business end there is this assessment of cost and benefit, and there is often the conclusion that there is benefit to be achieved from that type of direct policy to create incentives for entry back into the labour market, even after long periods. At the other polar end of the labour market, among the very small businesses, where there are very strong direct personal relationships between individuals—and, as I said, the straying of this whole area between the business, the family business and the like—there is also a willingness on a direct personal basis to

accommodate even reasonably long periods of time for re-entry, so long as the business is ultimately able to accommodate that. I think the challenge is in that middle area, away from the larger business end and from the very small business end where a direct personal relationship has satisfied the business that they need a person to come back in, even if it is going to be in a couple of years time.

CHAIR—I take the point that you make in the submission that one set of solutions does not fit all, because of the disparity between the ability of a large firm and the ability of a small firm to cope. But, firstly, is there evidence that people are returning more quickly to the work force than heretofore? If that is the case, the need for child care, certainly for children aged nought to two—they are the ages for which there is a real shortage—becomes more pressing. We have had quite a lot of evidence about salary sacrificing, from the point of view both of consulting and of the policy the ANZ bank is following. The committee are quite interested in the concept. It seems to me that salary sacrifice, if there is no FBT impost for the employer, is something that a small business as well as a large business could do, without it being a cost or impost on the employer. Have you considered that?

Mr Anderson—Both of those issues have arisen in various forms in the case before the Industrial Relations Commission. Our submission and evidence to the commission held that there has been an accelerated return to work trend in the labour market. I cannot say that that is an absolute proposition, because we wait to see what the Industrial Relations Commission says about it. It was not a point that was directly conceded or accepted by the ACTU, so it is a matter on which the commission may form its own view, but in our view the material we brought certainly leads to the conclusion that there has been a trend towards earlier return to work, which is part of the reason why we argued that the safety net maternity leave standard should not be increased from its current 12 months. One of the union claims in the case is that it should be increased to two years and our position was that the earlier return to work was an evidentiary factor against making that judgment.

Ms GEORGE—That is if you make an assumption that that earlier return is always driven by a voluntary motive. For a lot of people it is a matter of forced economic imperatives or of their agreements, which stipulate that their job is only held open for 12 months. If you freed it up, you do not know what the outcome would be.

Mr Anderson—I think that is right. In the witness evidence of those returning earlier there was certainly a strong indication that it was very much driven by financial considerations, so I am not suggesting in any sense that this is not a rational trend, but we can at least say that there has been that trend. As to the salary sacrifice issue, it arose in the case in the context of a number of proposals that were put forward by us on behalf of employer organisations for variations to the federal award system. A number of the variations we put forward would have the commission vary its federal awards to allow an employer and an employee to reach agreements for certain monetary benefits that are payable by employers to be taken as leave of absence as distinct from being taken as monetary entitlements. One of our proposals, for example, was that with overtime penalty rates, whether paid during the ordinary hours of work or as overtime, an employer and an employee could agree at the employee's request for the monetary component of a penalty rate or overtime payment to be taken as extra days. For example, if I work on a Sunday and my penalty rate is for double time on Sundays, an agreement could be reached to effectively reduce my take-home pay by getting an extra day of absence from the workplace.

CHAIR—No, this is not what I am referring to. That is a question of leave. Leaving aside the FTB question for the moment, I was asking if it was permissible for an employee, be they on a salary or a wage, to sacrifice part of that emolument in such a way that the amount sacrificed would be paying directly for child care—it would not be sacrificed to take days off to stay home and mind kids but to pay for child care.

Mr Anderson—I now appreciate the thrust of what you are saying. That was not an issue that arose in the case, but the issue of salary sacrificing has certainly arisen in the industrial context, because there are workplace agreements which do provide for salary sacrifice arrangements. Those workplace agreements have to be assessed against statutory criteria, but there certainly are and have been arrangements operating lawfully in Australian industry for salary sacrifice.

CHAIR—But usually it is for superannuation. I am talking specifically about salary sacrifice for child care. Have you specifically addressed that question?

Mr Anderson—I am advised that we have seen some examples of that in agreements.

CHAIR—You were not here when the ANZ bank were here, but they do it with an agreement with ABC Learning Centres. They have a tax ruling that gives them FBT exemption where they are the lessee of the premises. Then they can salary sacrifice—I think we should say salary or wage sacrifice—to enter into that. You have not addressed that specifically, either in the case or in your submission.

Mr Anderson—It is certainly not addressed in the case. We have not referred to that in the submission, but I am advised that there are some agreements that provide for salary sacrifice arrangements for child care. Obviously, there are FBT issues involved in that whole undertaking, in the same way that there are FBT issues for an employer whenever they provide salary sacrifice for a motor vehicle or any other non-remunerative benefit.

CHAIR—Absolutely, but this is specifically looking at the child care issue. Would ACCI be supportive of such a policy?

Mr Anderson—Yes, we would be. Our general approach to these issues is that the system should allow a greater capacity for employers and employees to reach agreements about the ways they want to take their remuneration. So long as there are some basic safety nets taken into account arrangements that allow for salary sacrifice are consistent with the approach that we would commend to government.

Mrs IRWIN—I would like to talk about income splitting. I note that on page 11 of your submission, which is page 40 of the notes we have in front of us, you do not favour income splitting—you thought that would be too expensive. We have had a number of suggestions that people would like to see income splitting in relation to tax because they thought that it would benefit families, especially those people who are returning to the work force.

Mr Anderson—With respect to the explanation that I am about to give, I will qualify my comments by saying that, if there is additional material that our tax people deem appropriate, we will be happy to provide that to the committee. But, in discussing income splitting with our policy advisers in this area, our general approach is that income splitting certainly can be

beneficial in terms of a work/family context and in terms of providing an incentive for people to be in the labour market. So it can have some positive outcomes in relation to the important objective of work force participation that we have spoken about. The reservation we have is a reservation that is simply based on the economics of such a proposal—the economics of that proposal being that it is, I am advised, a very expensive cost to budget. The question then is: what are more realistic changes to the tax system that we think that government could make that would also have some beneficial impacts on the work force participation issues but which are short of income splitting? A number of those are mentioned in our submission and in the tax blueprint that we put out earlier in the last 12 months—such as the indexation of tax rates and the like, which, to a limited degree, have some of those same effects that income splitting would have.

Mrs IRWIN—We do know that the new industrial relations legislation will guarantee parental leave. Would you like to see any other guarantees for balancing work and family in the legislation?

Mr Anderson—The parental leave standard is very much accepted and acknowledged by industry. There is no contest amongst employers with that being established as a standard, in whichever way government wishes to establish standards—through awards or legislative standards. One can see that state and federal governments have a combination of both, when one looks around at legislation.

There is a difficulty when you move into other areas of legislative standards. If you legislate standards as mandatory obligations—it depends on the terms of those standards; I should qualify what I say by that—then that can build inflexibility into contractual negotiations or even formal workplace agreements. So we are very cautious about having too many legislative standards, simply because if you have legislative standards dealing with hours of work—legislative standards that prescribe spreads of hours, rostering arrangements and things like that—then you actually prevent workplace bargaining occurring over those very issues. It is those very issues which also go to establishing the flexibilities that drive good work and family balance and interrelationships.

Our basic proposition is that to achieve the work and family objectives we want we need a flexible industrial relations system—one where there are established standards, but those standards in content and in design need to not impact on the negotiable flexibility that can drive work and family outcomes. We know there are lots of collective and individual agreements out there where work and family arrangements have been assisted through trade-offs between hours and remuneration, leave and remuneration, leave and hours, or a combination thereof. That is the flexibility we need to expand rather than retract. Whilst we are prepared to support a system where there are some legislated standards, we are very reserved about the number of them and about the content of them.

Ms GEORGE—I would like to pursue that issue. I guess it comes as no surprise that I have a totally different view to the one that you have expressed. If you look at the studies that show how family friendly policies have spread throughout the work force, you find that on a basic standard like paid maternity leave, for example, less than a third of women in private sector employment have any access to paid maternity leave. You find that a range of family friendly provisions, when you analyse both collective and individual agreements, tend to correlate very

highly with high-skill, public sector, large-company employment. So when you talk about the problems with one-size-fits-all and the problems with legislative or regulatory standards you are saying that the people with the strongest bargaining power will get access to these benefits, but the people that these benefits are intended to help, which are the large numbers of women in private sector employment, are the ones currently missing out on a range of family friendly benefits, including access to paid maternity leave. I am very nervous about the theories behind the deregulation of the labour market, because the ones that need the greatest protection and regulation are the ones that will miss out in the free-for-all situation that you seem to favour. Would you like to comment on that?

Mr Anderson—There are a number of aspects to that. I think the critical difference in view that I would have on that relates to the level at which you seek to provide employees with access to these family friendly flexibilities. If you do so through other government regulations or tribunal regulations, as effectively a subset of government regulations, then you tend to do so on a generic basis. Either you do it for the economy as a whole or for industry as a whole.

The difficulty with doing that is that, by definition, you have to assume that there are common capacities across all of those employing entities to deliver those benefits, and we know that is not the case. What that means then is that you have high level contests, such as we have seen in the work and family case, about what those standards should be, because of the large differences in employing capacity across either an industry or the economy as a whole.

If, however, you take the determination of those issues to an enterprise level, you have a much greater capacity to deliver those outcomes, because you are not factoring in the circumstances of other businesses. You are not dumbing down what can be done by reference to another business's capacity; YOU are looking solely at the capacity of the business and the needs of the individuals in that business. We believe that the determination of family-friendly industrial relations is best achieved at the enterprise level and the higher the level you seek to achieve it, whether it be at an industry level or an economy-wide level, the more problematic it becomes in terms of delivering something which is ultimately meaningful. Having said that, I do not want to be understood as saying that we should not have anything at that higher level. I have said that the maternity leave standard—or the parental leave standard, as we now know it—is well accepted as being a generic standard.

Ms GEORGE—It is a very minimalist standard, isn't it—12 months unpaid leave?

Mr Anderson—It is not minimal; it is a very widely used employment right.

Ms GEORGE—By comparison to any overseas economy comparable to ours, it is a minimalist standard.

Mr Anderson—I would not say it is minimal at all. It is 12 months absence. The evidence in the work and family case was that a large number of other countries have a lesser period of right to be away from the workplace after the birth of a child. I should also say that, where it is lesser, it is often a paid entitlement, not an unpaid entitlement. I do not want the committee to misunderstand the point. Only recently in the UK have standards been pushed out to something that aligns with the Australian period of 12 months.

Ms GEORGE—Among ILO signatory countries, only Australia and the United States do not have any provision for paid maternity leave.

Mr Anderson—Paid maternity leave is a different issue. The approach we take is that businesses that see a net benefit in the provision of paid maternity leave should be encouraged to provide paid maternity leave.

Ms GEORGE—That is my worry. I understand the cost argument—that the impost on smaller business of any reform is proportionately larger—but in your scenario you would have those who happen to be lucky enough to work in the public sector or in higher paid work having access to these family-friendly measures, while the great majority of women in the private sector will be languishing behind with a range of benefits that will not flow to them if you just take the capacity of business to pay as the sole criterion. Surely there are issues that override an employer's capacity to pay.

Mr Anderson—There are issues to put as balancing considerations; I would not say there are issues that should override them, because at the end of the day capacity to pay has to be a fundamental determiner of the type of employment regulation we have, at whatever level it is, because it is the capacity to pay that ultimately governs the capacity to employ.

Where I depart from your proposition is on the assumption that, unless something is delivered or deliverable equally across the whole work force, it is not a good thing that is happening out there. I do not believe that it is wrong to have a labour market where there is paid maternity leave or paid parental leave provided in some areas of the economy and not in others. I do not believe it is wrong for that to exist because there is a very rational reason why it does exist.

Ms GEORGE—Would the same argument apply to equal pay—that it would be all right for—

Mr Anderson—No, I do not think so. I think that there is a point where you have to draw a line and say that there are certain values and certain standards that should apply generically. There are certain values and standards in the workplace as well as outside of the workplace that our community says are so fundamental that they should apply equally, but I do not see paid maternity leave in that context.

Ms GEORGE—So what would be the standards that you would see underpinning a reasonable public policy in relation to work and family life?

Mr Anderson—It is most fundamental that you provide a system of safety net wage entitlement, a system of safety nets that govern minimal hours provisions and a system of safety nets that govern basic rights to access parental leave. They are basic safety nets. I would say that you must then have a system where you provide for the capacity to both collectively and individually bargain beyond those safety net entitlements for additional employment entitlements, either through the collective processes of union representation, through the collective processes of non-union group negotiation, through contracts of employment or through individually registered agreements.

Mr QUICK—Aren't we talking about negatives of the safety net? I would rather look at something like a trampoline, where you are continually going up, but you have the safety net there rather than something with holes in it—because the net does have holes in it and people are going to fall through. On the issue of societal benefit, just before you came to the table we heard evidence from the ANZ that, because they are changing their work practices, 88 per cent—and it has increased over the last three or four years—of people coming off maternity leave go back to the work force. They are having less retraining and there is less cost to the company, so there are some positives. When do we get away from the defensive attitude of business saying, 'It's going to cost everybody'?

As a former teacher and looking at all the evidence from all around the world about zero to six children, if they can develop the potential there are huge cost savings to society. Rather than business being negative and saying, 'If we introduce a lot of these work friendly things across the board to everybody, there's going to be a cost to BHP Billiton, ANZ, Westpac or the Melbourne City Council,' but society ultimately picks that up through the costs of jail, juvenile justice and all the other things. So how do we ensure that we look at societal benefit rather than AWAs versus awards? Let us get away from some of the stereotypes and put in place some things within our country, because we have an ageing work force, a skills shortage and a whole lot of people who have retired and now wish they could get back into the work force. There are a whole lot of impediments. Let us take the blinkers off and, rather than being ACCI defence versus union stuff, let us look at the societal thing. I would be interested in some of those views from you.

Mr Anderson—There is a lot of value in some of the points you have made. Certainly, though, I do not make any apologies for alerting the committee to the differing circumstances in businesses and their different capacities. I do not think that is taking a blinkered approach. What we have to recognise is that there is certainly a proper approach to saying, 'Let's look at a whole of community benefit here.' In doing the things that we are trying to do through ACCI and the employer movement, we are very much trying to generally lift—and trying to move the industry to lift—awareness, cultures, attitudes and ultimately practices in this regard. That will then lift the societal performance as a whole.

But within our society we have components of employing businesses, and those components of employing businesses do differ. It does come down to some balancing considerations. If, as a matter of government policy, or government approach, we move too strongly in terms of trying to change the employment rights in a way that does not reflect some of those business realities then we can have some counterproductive impacts. I would agree with you that we need to put in place a mix of policies at a government level to lift community activities and employer activities on work and family. Part of the challenge for us as employer bodies, and I think for industry as a whole, for industry spokespersons like ourselves, is to help business understand the business case for implementing some these changes. That is not going to be done by government taking the blunt instrument of legislation or regulation.

Mr QUICK—No.

Mr Anderson—That is going to be done by some of what you have just heard from an ANZ bank saying, 'There is a powerful business case for us to have done some of the things we are

doing,' and for that to become part of the thinking and the psychology of other business owners and operators.

Mr QUICK—So how do we develop the dialogue with the ANZ, who set the marker, to convince National Australia Bank, Westpac and Commonwealth, who have been dragging the chain, and for that to spread to BHP Billiton—

CHAIR—But they only deal with a small percentage of the problem. I think the point that Peter is making is that they are not the problem. The problem is that you cannot make a rule that then binds your microbusinesses—people who have only got one employee or four or five employees—which just do not have the capacity to pay for these entitlements. That is why he is making the differential.

Mr Anderson—I think that is right. As much as we would like to think, in an ideal world, that we can treat the circumstances of an employee in the ANZ the same as the circumstances of an employee in a microbusiness, the fact that their employer is so materially different means that we cannot expect the same treatment. It may be that there could still be a business case made out, but to make the business case out at the lower end, you really have to do much more than say, 'Because the ANZ is doing it, you should be able to do it.'

Mr QUICK—But when it comes to something as simple as child care, there is a waiting list for years and as soon as people realise they are pregnant they put their potential child on a waiting list. We heard that ANZ, because of the taxing policies, can get ABC Learning Centres to set them up in certain areas. But I represent a regional and rural area in Tasmania. How do we get the large businesses in Tasmania to talk to the local government and some of the microbusinesses and say, 'We will be the umbrella organisation'—the TCCI in Tasmania—'to work with industry to ensure that all workers have access to child care in the remote and regional areas,' because all the dozens of smaller companies cannot afford it, but collectively they can? As the major representative of the employers, they ought to liaise with federal, state and local governments and businesses to do something as constructive as that. That would take enormous pressure off people having to move from one area to another or having to leave at a sparrow's spit in the morning to travel to an area where they can access child care.

Mr Anderson—There are employers out there who are as frustrated as some employees with the fact that there are difficulties in accessing child care amongst some of their staff. Particularly when you get into the smaller business environment, there is often an issue about a person's working arrangements being based around their capacity to access child care. When you have not got a very large pool of employees to choose from, those issues become very apparent very quickly to the employer. It is not that those employers are insensitive to the difficulty that there may be in accessing child care; it is that they have virtually no capacity to influence the provision of child care to their employees.

Mr QUICK—But how do we ensure that the impediments there are removed, or what taxing policies need to change in order to get a collective group of people, so you have got a mass which can set up an ABC centre? The taxing policies would ensure that the local government, the woman who works in the coffee shop and the people who work in Coles and Woolworths have got a centre in the community. At the moment, the community does not have it. People are

having to travel long distances. Families are under stress, worrying about the mortgage and job opportunities and advancement and the like. We have to think outside the square.

Mr Anderson—Yes, we do, and I think those businesses would look to governments and to their local communities to seek to meet obvious needs that there are amongst their employees, of which child care is a primary one. When we were putting together our work on the paid maternity leave debate, it was very apparent very early in speaking to employers and the employer organisations that the difficulties in accessing child care and in some cases the cost of accessing child care were a greater issue in terms of work force participation or work force re-entry than the provision of a paid entitlement for maternity leave. So we are certainly with you in terms of your suggestion that employers need to focus on mechanisms to provide greater access to child care. That came through loud and clear as we did our work on the paid maternity leave debate. The difficulty is that the provision of child care is really a factor of one of two things. It is either a factor of private child-care providers operating an accessible and affordable child-care business in the local community or it is a matter of government providing, through government policy and whatever infrastructure government puts in place through the tax system, direct grants and the like, for the provision of child care.

CHAIR—But those policies are driven by government. I think we might give David a turn.

Mr FAWCETT—I have one quick comment. I have a good example in Wakefield of a regional community which had 90 families on a waiting list for child care. There was constant contact from the community and from the local council saying, ‘When is the government going to help?’ But since we actually sat down and explained the fact that long day care is uncapped and all they needed to do was to engage a provider, they now have two or three providers vying to provide the service in the town. They just needed that stimulus and that focus of action to say, ‘The funding is there through CCB; you need the venue and the local government is looking at providing access to a venue.’ Now they have providers queuing up to provide the service. So I think some of those policies and incentives are there but whether it is through chambers of commerce or whether it is through local government, what you need is that seeding, that stimulus, to bring the people together to make it happen. That is the role that I see for chambers of commerce and industry. CCIs could provide some of that stimulus to say, ‘If this is an issue for your employees, some of the policy and the provision for funding is there; we just need to get that partnership going.’ That is an option that you could move forward on.

The question I had for you is because a lot of the feedback we have had about work and family imbalance has raised concerns about the casualisation and contracting out of work and the fact that that becomes very short term. I have spoken recently to a number of small businesses who sit and look at the debate over things like paid maternity leave and they said: ‘We just could not afford to have somebody working in our business and then cover the cost of paid maternity leave when we only have three staff in total anyway. If some of these laws come in, we will have no option but to contract out some of the functions we currently employ people full time to do.’ Would you say that this is a prevalent attitude when small business—and I am talking here about fewer than 20 people—look at the threat of having costs that they just cannot sustain and be competitive to win their contracts? Is that, on a broader scale, driving a lot of the casualisation of the work force and is that an argument for the enterprise level bargaining that you are talking about?

Mr Anderson—I would agree with those propositions. I would agree that the increased casualisation of the work force, however, is not something that we should see as a point of criticism. Casualisation, whether it is in the form of direct casual employment or part-time employment—in other words, non-full-time work—is a different form of working arrangement which is very highly used by people who want to balance work and family. There are multiple forces at play in terms of casualisation. Some of it is driven by the economic circumstance of the business, but a large component of it is also driven by the individuals working in a way that they seek to work.

So the use of non-full-time employment in industry is, in my view, one of the most fundamental drivers of better work and family balance and is one of the reasons why we have seen a trend up in that graph on work force participation. There is no doubt, however, that the costs associated with whatever employment benefit an employer has to provide are factored into the capacity of that business to provide employment. I have mentioned that there are differing capacities of businesses. They are realities, whether we like it or not, and those realities do govern decisions which are made. Businesses will operate with rational decisions at the end of the day—most businesses will, anyway.

CHAIR—The ones that are making a profit will.

Mr Anderson—A properly run business will operate on a rational basis. What we need to do is not abandon the idea that you cannot make the business case out at the lower end for some of these arrangements. But we have to be prepared realistically to accept that the business case for some things may not exist but it may exist for others. That, I think, is the challenge: that we do not send a negative message out to businesses at the lower end, but that we also send a realistic one, because they are not just concerning themselves with the work and family arrangements of an individual employee; they have to consider employees as a whole as well as the business operations as a whole. The smaller the businesses are, the more the business owners see themselves as performing a multitude of different tasks, meeting the needs not just of an employee but of the customers, the suppliers, the bankers, the financiers and the like.

I will make one final comment in response. In looking at the capacity of businesses to meet more family issues, it is very important for the committee to be cognisant of the fact that meeting an employee's requests on work and family has implications for other employees. It is a point I have not made today but it is a point that came through strongly in our material for the family provisions test case. For example, if you are providing a capacity for an employee to, say, have all of their leave taken during school holiday periods to allow them to look after their children, that has implications for the capacity, particularly at the smaller end, of the business to allow another employee to be absent from work during the school holiday periods. So the business owner has to factor in multiple considerations. We tend, when we look at work and family issues, to say, 'Should it be the right of an individual employee to have this, this and this?' But those rights often balance against the rights of other individual employees to have this, this and this. So it is not quite as straightforward as it at first appears, even in some of the most basic areas where we think the business case can be made out.

Ms GEORGE—I just want to respond on the issue David raised. I understand the constraints of business, particularly at the smaller end—no-one is being foolish about it—but I have got to say, Peter, I heard the same arguments about business costs when we first introduced equal pay. I

heard the same arguments from business about the spread of superannuation to everyone at work. I think business always thinks the sky is going to fall in. I know businesses are mindful of any additional impost that comes their way, but there are times in history when social advances have to be made. Businesses said, 'We can't afford to pay women equal pay, so we won't employ women and they'll be out of the work force,' but the trend has been quite different. Since the introduction of equal pay, in fact there has been a huge growth of employment. So it has not been a constraint.

CHAIR—But they still don't get it.

Ms GEORGE—That is right. At the end of the day, it may be the case that something like paid maternity leave has to be something that the government provides through taxation rather than leaving it to business. I know there were debates about that at the time. But I do really worry about how we make those qualitative leaps like we have historically in the absence of either legislative provision or regulation through the award or test cases through the commission, because I think if you always leave everything to be bargained at the individual enterprise level then you are going to have wide disparities in terms of access and equity.

CHAIR—Thank you for that. You are seeing the philosophical divide.

Ms KATE ELLIS—I am not going to get into the philosophical divide. I have a quick question. We have talked a little about salary sacrificing for child care. Over the course of the hearings we have heard some arguments for tax deductibility for child care. Others have come out and said that a rebate is a much fairer way of doing this through the tax system. Do you have any views on the different options available when looking at what the government might be able to do in terms of child-care relief?

Mr Anderson—I will take that on notice. The question of whether a rebate is better than a direct deduction in the context of child care is something I would like to specifically speak to our tax policy people about.

CHAIR—Thank you.

Mr QUICK—At page vi of your submission you state:

Australia needs policies that encourage the re-training of employees who have been absent from the workforce and facilitates appropriate recognition of prior learning to assist with this.

We received another submission which states:

... The need to resume repaying an existing HECS debt when the mother returns to paid work. Her debt may have inflated substantially over several years while she was out of the paid workforce caring for children.

The submission recommends that the HECS debt be frozen. Do you have a view on that—whether it might be another incentive to ensure that we have a skilled work force? When we have trouble finding skilled workers in a whole variety of areas, do you think the government might do something as revolutionary as freezing a HECS debt while someone is out of the paid work force?

Mr Anderson—I have not given that any prior consideration. I can see how conceptually that could be of some assistance to the individual concerned in terms of work force participation.

Mr QUICK—And ensure that the person gets back into the ANZ—like in the example used—because they can see that there is another avenue to further their education.

Mr Anderson—In terms of work and family policy and a capacity to provide an incentive to increase work force participation, it is hard to see how that could be anything other than a helpful idea for people in that situation. I would suspect, though, that the countervailing forces do not come in terms of any industrial considerations; they come in the context of simply whether or not government sees that as weakening the integrity of its HECS program or the policies that underpin HECS and the obligations to make repayments on an agreed basis for moneys advanced. That is the area where that proposition would be challenged. I cannot see how, on work and family grounds, there would be any downside to that proposition.

CHAIR—The only other question I want to ask is on demographics. With the older average birth rate rising and many women having their first child in their thirties, do you have any evidence on the percentage of those women who would be entitled to long service leave because they have already been in the paid work force for 10 years?

Mr Anderson—No. I think the answer to that is that we have not conducted analysis of that aspect. We know from the evidence that was in the work and family case that we have a high level of stability in job duration at that end. We also know that the long service leave data generally throughout the economy show a gradual trend down in terms of accessing long service leave throughout the labour force because of the mobility of labour at an economy-wide level. I have not seen data on that question and I suspect they probably would cancel themselves out if we did. I would like to take the question on notice. I will assess whether or not there is some data that we can access which might answer it. I do not think a data set of that type was brought into the commission's case.

CHAIR—Thank you, Mr Anderson. On page 37 of the annexure to your submission you say:

ACCI has examined these measures in its publication Encouraging Work and Family Measures in Enterprise Agreements. That publication identified a very high level of innovation, through agreement-making, including the following measures:

Then you set out 10 things that include flexible start and finish times, assistance with child care, job sharing and provision for working at home. Do you have any figures on how many AWAs would contain that sort of flexibility?

Mr Anderson—There are some figures in that regard. I do not have them with me but we can provide those to the committee. They are based on the data that is provided by the Department of Employment and Workplace Relations in their annual agreement-making report as well as by the Office of the Employment Advocate in their AWA data.

CHAIR—At the same time as you are doing that, would you identify, without naming firms, the type of firm—whether it is a big firm in the top 100 or a little firm. I really want to get a handle on just how little firms can cope with this sort of stuff.

Mr Anderson—If we can access data of that type we will provide it to the committee. That is a more difficult task because of the limited descriptive detail that is provided in the statistical data about the types of businesses making agreements.

CHAIR—We would be grateful to have what you can get, because it is quite important.

Mrs IRWIN—How do you see the existing program of the \$4,300 income tax rebate for child care? Do you see it as fair for all income levels?

Mr Anderson—Are we talking about the parenting rebate?

Mrs IRWIN—Yes.

Mr Anderson—It is a very considerable payment. Whether it is fair amongst all income levels is a matter of subjective judgment. We certainly supported the provision of that parenting payment because it was a far more effective way of distributing a benefit that correlated in part to a maternity benefit across a wider section of the labour force than you would have had if you had introduced a paid maternity leave scheme with all the problems attendant to that, which I have touched on. In terms of fairness, it was a much fairer way to deliver some of the policy objectives sought by government.

In terms of the way in which it operates across various income groups, it is made as flat payments. They are not indexed payments. So it depends on what stance you take in terms of the relative benefits at the lower income level for a flat dollar amount compared to the same dollar amount at higher income levels. If you are saying that those payments are based on government providing assistance and the like as to the costs of rearing children, then obviously there is some logic in saying the costs of rearing children apply across all income groups in equal ways but those income groups do have different capacities. Fairness is a very subjective notion. You have to make a range of assumptions to judge fairness in that regard.

CHAIR—We thank you very much for your submission and we would be grateful for the information that you have said you will supply to us. I take it that if we want to come back to you on some points we will be able to do that.

Mr Anderson—Certainly.

CHAIR—Thank you very much.

[12.00 pm]

ALEXANDER, Mr Michael John, Principal Research Fellow, Australian Institute of Family Studies

GRAY, Dr Matthew, Deputy Director Research, Australian Institute of Family Studies

HAYES, Professor Alan, Director, Australian Institute of Family Studies

WESTON, Ms Ruth, Principal Research Fellow, Australian Institute of Family Studies

Witnesses were then sworn—

CHAIR—We thank you for your excellent submission. I invite you to make an opening statement.

Prof. Hayes—The Institute of Family Studies is very pleased to have the opportunity to address this inquiry. Indeed, we see it as a significant and timely inquiry. For us, the balance between work and family life has been an integral theme of the work of the Institute of Family Studies since its establishment in 1980. The institute published its first report on work and family life in Australia in 1981 and since then has undertaken a significant body of research. Our response to this inquiry draws both on the institute's past and current expertise on this topic. Our submission focuses on research that can assist policy makers in their task of developing supports for parents confronting the choices and balancing the demands related to work and family lives.

We have recently completed two major studies for the Australian government, one on fertility decision making and the other on family and work decisions. Those data have been used extensively in our submission. What does the research tell us? Decisions about how to balance work and family life are clearly made over a life course and within the context of family formation and maintenance. In the case of fertility, this ranges from early thoughts about ideal family size—thoughts that people have even before partnering has occurred—through to decisions around whether or not to have an additional child.

Combining paid and unpaid work includes family decisions about whether and when mothers should return to paid work after having a child and how they can best divide unpaid and paid work between them over the course of parents' working lives. At various points in a family's life course, such as the arrival of a baby or the separation of parents, decisions about work and family need to be revisited. In addition, major changes to household income and expenditure—for example, through unemployment or through purchasing a home—might require revision to the paid and unpaid working arrangements within a family.

We consider that discussions about paid work and family life often ignore the fact that the breadwinning contributions of either parent represent an essential dimension of their caring or parenting responsibilities. The issue we then focus on concerns ways in which parents attempt to integrate that aspect of caring with other essential aspects, including nurturing children, undertaking work around the house and caring for elderly parents, if that is the case.

Similarly, discussion of work and family balance tends to focus on parents and too often overlooks the needs and interests of children. Child care, for example, is no longer, and has not been for a decade at least, seen as a labour force participation issue alone. Child care is a key contributor to the development, health and wellbeing of children, and this perspective is increasingly acknowledged. At the broadest level, analysis of our own and other reliable data, our reviews of the literature and our identification of family trends suggest that there might be potential for higher labour market involvement of parents, particularly mothers, if the balance between work and family responsibilities were more easily achieved. Taking this broadest perspective, availability of part-time jobs and child care, including especially outside school hours care, are arguably the most important supports for parental participation in paid work. It is vital that such supports are accessible and affordable if parents are to be encouraged to remain in or take up paid work. The need for these supports is likely to increase significantly, given the labour shortage that is anticipated in the near future and the recognition of families' capacity to contribute to the shortfall.

The last 40 years have seen unprecedented demographic change in Australia. The pathways to family formation, the sequences of people's life events and the range of choices—whether or not to continue in education, what sort of career to pursue, when to marry and how many children to have—seem almost infinite. People's lives have become more complex and this complexity is a real challenge for policy makers, service deliverers and families. The Australian government's attention to the issue of work and family is reflected in the wide-ranging suite of policies it has implemented to assist families make decisions that best suit their needs. These are implemented across a number of portfolios and reflect an understanding that when families weigh up how best to combine paid and unpaid work, there is not one policy mechanism that will support all their requirements.

Those are the main points I wanted to make as a general introduction to our appearance here today. You will notice that our submission does not make recommendations as to what the committee should conclude or as to what legislative or other changes should be made. They, of course, are matters for parliament to decide. We see our role as being to compile and review relevant Australian research data and literature and to offer this to the inquiry to assist you in your deliberations. I brought with me today the Institute's Deputy Director of Research, Dr Matthew Gray, and two of our principal research fellows, Ms Ruth Weston and Mr Michael Alexander. Ms Weston was the principal research fellow in charge of the Fertility Decision Making project and will answer questions relating to the first term of reference. Dr Gray and Mr Alexander have backgrounds in economic and social policy research. They have worked on the Family and Work Decisions project and will assist me in answering questions relating to the second and third terms of reference. We very much welcome the opportunity to assist your inquiry and look forward to its outcomes.

CHAIR—Thank you very much. Firstly, you find that our birth rate is at an all-time low. You compare the number of people who are likely to have four children as opposed to less between the pre baby-booming period, 1937-41 and twenty years later. Is there a correlation with, and have you done any work on, the fact that women are now better educated—that they are more likely to have done tertiary education and to have a pre child-bearing career path, as distinct from just being in the paid work force? Has education had a direct outcome by lessening the number of children that women have, from the point of view of their partnering later or not partnering at all?

Ms Weston—Education is clearly important in influencing fertility rates in all countries. All the delays in reaching those milestones before having children are influencing the fertility rate and are very much bound up in the increased participation of women in education. There are delays in partnership formation, such as getting married, which are partly a function of the increased tendency to live together first and the increasing fragility of cohabiting relationships that we have observed.

It is worth noting that the fertility rate of women with low education also is declining—and at a faster rate than for those having more children. However, I should explain that the fertility rate has had a small upswing in recent times, and we do not know what this reflects. This is just a hiccup in—

CHAIR—The maternity payment.

Mrs IRWIN—We hear all the time in parliament that it is because of the maternity payment.

Ms Weston—According to educational status, we found no difference in the proportions of childless women who wanted children. The oldest age group in our sample was aged 20 to 39. But, of the women aged 38 to 39, 20 per cent with a degree and only eight per cent with no post-school qualifications were still childless. So there is a difference but it is not that much of one. In fact, there is no difference in the desire for children, but there is certainly a difference in the proportion who have had children. Much the same proportion have two children. We find that those with a degree want to stop at two, whereas those with no post-school qualifications are more inclined to want three but overall prefer two. Two is the most common preference across educational status groups.

CHAIR—Is that borne out internationally as well?

Ms Weston—The preference for two?

CHAIR—No, the correlation between education—

Ms Weston—Definitely, yes.

Prof. Hayes—It is interesting though that internationally—in Europe, certainly—nations with a higher participation of women in paid employment have higher total fertility rates than nations where female participation is lower. Spain, Italy and Greece have low fertility rates compared with countries with higher female participation in employment. So the nexus between education and employment regarding the fertility rate is quite clear; the links are very clear in the international data.

Ms GEORGE—Family friendly policies that are supported by government are part of that correlation too, as I understand the recent research.

Prof. Hayes—Yes.

Ms GEORGE—The more comprehensive the supporting family friendly provisions are, the higher the fertility rate and the higher the participation rate.

Prof. Hayes—Correct.

CHAIR—Could the reason also be that, if a mother remains in the paid work force, she is more secure? With the break-up of a marriage, a mother faces the risk of poverty if she has no skills and no income. But, if she is in the paid work force, she will be more confident about having children because, if something goes wrong, she can support herself. Is that right?

Ms Weston—It is difficult to speculate, but certainly we find that relationship breakdown is higher among those with limited education.

Prof. Hayes—Historically, the lowest rates of forming relationships apply to the lowest educated and the least engaged in the work force—males—and that trend has existed for over 100 years. So I think there is a reasonable case to argue the connection that you are asserting.

CHAIR—Is there also a growing tendency that in some relationships the female, as distinct from the male, will be the major breadwinner of the family?

Ms Weston—Yes, that is certainly the case with an increased education level.

CHAIR—Whereby the question of child care and whether or not you are a high-income earner or a low-income earner takes on a completely different light, does it not?

Ms Weston—That is true. For the high-income earner, the considerations tend to turn towards opportunity costs of having a child.

Mrs IRWIN—In your submission, you discuss particular problems faced by single parents in balancing their work and family responsibilities. Could you outline the key differences between single parents with dependent children and partnered parents with dependent children in terms of balancing work and family?

Prof. Hayes—Broadly, there is a greater tendency for single mothers who are in the work force to prefer full-time employment for obvious economic reasons, or to push towards employment in shift occupations or casual employment; so there is a sort of binary split. The data shows very clearly that women who are in couple relationships prefer part-time work. Of mothers who work and have children in the age group nought to four, 15 per cent work full time and 34 per cent work part time. I think the difference, in part, flows from a lack of available networks and supports for single mothers. The differences that relate to their reluctance to avail themselves of family friendly work policies are another interesting dimension in the data that we have looked at.

Dr Gray—There are good reasons for thinking that. The way that the nature of care and responsibility is combined with paid employment will differ between couples and single mothers in at least some cases. One concerns the involvement of the non-resident father. I think it is said that, on average, non-resident fathers will provide less direct physical care and there is likely to be less flexibility with them. In a couple you may be able to negotiate in a more flexible and quick fashion; whereas, if you have longstanding caring arrangements, that is likely to make a difference. We find that lone mothers are more likely to make use of a range of family friendly work practices than are couple mothers; but both lone and couple mothers are quite likely to

have used these work arrangements. We also find that lone mothers have a greater level of unmet need than couples do. This data is for New South Wales. The reason for our analysing New South Wales data is that, at the time of doing the research, it was the only state for which this kind of data was available. Lone mothers are more likely to say that there were a range of family friendly work arrangements that they would have liked to have made use of but could not. When asked why, some answered that those arrangements were just not available. That probably reflects the fact that lone mothers, on average, have lower levels of education. They are more likely to be employed in casual jobs and, hence, in the types of jobs which will have less access to formal work arrangements.

CHAIR—In your definition of ‘lone mothers’, are you including divorced mothers?

Dr Gray—We define a lone mother as a mother with dependent children living with her—

CHAIR—Whether they are married or not?

Dr Gray—where the father is not living in the household, whether or not they are married. It does not make a distinction.

CHAIR—Are you trying to tell me that divorced mothers are less intelligent than married mothers?

Dr Gray—No.

CHAIR—So why you are telling me that the education rate of lone mothers is lower than of those who stay married?

Dr Gray—There are two factors here. It is a well-established fact that the education level of lone mothers is, on average, lower than for mothers in couple relationships.

CHAIR—How do you account for that?

Dr Gray—Part of it is due to repartnering following separation, so part of it relates to divorce rates. Ms Weston may be able to comment further on this.

Ms Weston—Part of that is related to the higher propensity to separate if you have low income and low education. Admittedly, divorce crosses all sectors of society but you still have a disproportionate number of people with low education. Financial pressure is one factor contributing to divorce.

CHAIR—That is the first time I have heard those stats. Can you tell me a bit more about that?

Ms Weston—I do not have the figures with me, but there is quite a bit of literature on the links between socioeconomic status and divorce and the pressures on people with low incomes in contributing to divorce.

Mrs IRWIN—Dr Gray, did you indicate that you might have the statistics there?

Dr Gray—I do not think that we have here with us the difference in education levels. It is not enormous, but it is certainly significant. When we did some analysis of the difference in the employment rates of lone and couple mothers, because lone mothers have lower employment rates than couple mothers—

CHAIR—But this is a very important thing.

Dr Gray—The other thing that I can add to what Ms Weston said is that repartnering rates are higher amongst women with higher levels of education following separation. You could be a lone mother because you have never lived with the father of the children. That is quite rare—about one in 10 currently. That has grown in recent times; in the past it was lower, about one in 12 or one in 15. That is one part of it. The other part is that most lone mothers become lone mothers as a result of relationship breakdown. So to remain a lone mother you need to not repartner.

CHAIR—Yes, but who repartners?

Dr Gray—Many women repartner, but women with higher levels of education are more likely to repartner. Actually, women who are employed are more likely to repartner.

CHAIR—That is very interesting.

Dr Gray—I think in part that is through meeting people. That is one aspect of it.

CHAIR—To highlight those figures, if you put that together with the child support requirements, what percentage of non-custodial parents pay \$5 a week or nothing?

Ms GEORGE—It is about 40 per cent.

CHAIR—No, I think it is higher than that.

Ms GEORGE—I thought it was about 40 per cent who pay \$5 or less.

CHAIR—Isn't it 40 per cent of those who are separated who actually pay something as distinct from \$5 or nothing? Isn't it the other way around?

Ms GEORGE—I think 40 per cent of those who pay through child support pay less than \$5 a week. That is my recollection.

CHAIR—I think it is higher than that. I think it is more like 60 per cent.

Dr Gray—My understanding is that 40 per cent of fathers who are paying through the Child Support Agency pay \$5 a week or less. Where there is private collection it is not so clear.

CHAIR—It would be interesting, then, to see those precise figures about who are the lone parents by your definition. They are likely to be the people getting \$5 or nothing, aren't they?

Dr Gray—Yes. I am trying to think of the right way to describe this. People with high educations tend to partner with other people with high educations. So there is a relationship.

Prof. Hayes—We would be happy to get those figures to the committee.

Ms KATE ELLIS—I am not sure whether you have done any research into this, but I understand you state that fathers rarely leave the paid work force in order to be a primary carer. I was wondering whether you have seen any evidence of a change in this and whether the rate of fathers playing that role is increasing.

Dr Gray—It is certainly the case that it is much more common for mothers to leave the paid work force for child-care responsibilities and also for caring for an adult. I think there is some evidence that the employment rates of fathers have fallen a little bit but also, perhaps more significantly, the rate of part-time employment has gone up.

Prof. Hayes—The rates are different, as Dr Gray has indicated, in terms of the role in caring for children as opposed to caring for elderly parents. You find greater engagement of men in the care of elderly parents, typically their own parents, though it seems within the family there is a split between whose parents they actually are. It has been an interesting development. It also highlights differences in the nature of caring if one is thinking about work and family balance, because in a sense child care by definition has a finite nature to it, although many of us may not think that. Parental care, on the other hand, given the demographic change in the population, is likely to be a much longer-term responsibility. So the impact of that in terms of work and family balance I think needs to be considered very carefully.

Ms GEORGE—In relation to that, we have spent quite a bit of time today on the child-care part of the equation. You mentioned in your submission that Drs Gray and Hughes were doing a paper on the issue of elder care. Is there something you can report to the committee arising out of that?

Dr Gray—Yes. The paper on elder care has been published in the most recent edition of the institute journal, *Family Matters*. Professor Hayes has briefly summarised the results. What it finds is that women are more likely to have elder care responsibility than men but where men do have elder care responsibility then it has a much more substantial impact on their working life. Mothers with child-care responsibilities are much more likely than fathers with child-care responsibilities to make use of family-friendly work arrangements and also report that they made job changes to assist in balancing their work and family responsibilities. For elder care it changes. Where men are reporting having caring responsibility for a disabled adult, a sick adult or an older person and that care is of an ongoing nature, their rate of using family-friendly work arrangements is similar to that of women with elder care responsibility. I think women are a little bit higher but still there is much less difference between men and women. In part I think that is because many fathers still do not take the primary role in caring for children. If a child is sick, for example, the mother is still more likely to be the one who takes time off work than the father in dual earner families. But substantial numbers of fathers were reporting using family-friendly work arrangements—around a third, I think.

Prof. Hayes—But they are more likely to make informal arrangements with employers and to seek ways of doing it rather than the formally available work friendly family policies in the workplace.

Dr Gray—That is right. And the mothers would often change around hours or the nature of employment, like casual shiftwork or part-time work. For mothers part-time work is a very common method that they report using to combine work with caring.

Mr QUICK—Following up on my raising of the issue of society benefits, on page 16 of your submission you state:

It is critical that government policies aim to ensure that at least one parent in a family is in paid work for the sake of the children as well as the welfare of the adults.

As I said, there is a societal interest as distinct from an ANZ interest or BHP Billiton interest or employer versus employee interest. What is the research showing on the difference between intergenerational unemployment and at least one parent working in terms of benefit to the child, the family and society?

Prof. Hayes—There is a long history of research on risk factors for children, and risk factors related to low education, unemployment and low participation in the work force come through consistently in that research. Participation in the work force is probably one of the biggest protective factors for children and children's development, health and wellbeing. Availability of other supports—effective provisions prior to school and during schooling—equally play their part, but there is a massive social benefit for participation in employment and a capacity to address the issues that often attend poverty and poor life chances for children. So there is a much bigger national issue that is at stake in terms of promoting the development, health and wellbeing of children, and employment and productive income is one of the most salient protective factors.

Mr QUICK—Has any research shown that you can actually quantify it in dollar terms—spending money on justice systems and the erection of jails and the like compared to early intervention and supporting families and encouraging at least one person in the family to have a paid job?

Prof. Hayes—If one takes some of the overseas examples—unfortunately there are no sufficient longitudinal research examples in this country—the most cited one is the Perry preschool project. The early figures showed that, for the children who had been in a high-quality preschool intervention, the dollar saving was \$US7 per dollar invested. They have been followed to 40 years of age and the dollar savings are now \$US17.07. Most of those savings are from savings in the criminal justice system, because the rates of incarceration across time were very low. The rates of problems in school were lower, the rates of engagement in the work force were higher and the rates of ownership of housing, for example, were higher. That is one study. If one takes the Elmira project in New York, there were similar health related benefits with similar cost savings. But we do not have a study of that kind in this country.

CHAIR—What about France, where for three- to five-year-olds there was virtually 100 per cent availability for children to be in a preschool situation? Does that make a difference along those lines?

Prof. Hayes—I do not know of a French follow-up study, but I do know about high participation. The Rand Corporation did some modelling of the economic benefit of social and educational interventions. The two biggest benefits come from engagement in high-quality early childhood services on the one hand and retention at high school on the other. Those two things at those two points in time prevent negative developmental outcomes and, in the case of the latter—retention at school—make people more employable. I think the Rand Corporation work is fairly convincing.

Mr QUICK—Would there be less of a skills shortage because of the increased retention rates and the ability to perhaps have greater options when it comes to looking at jobs that a person could possibly take up?

Prof. Hayes—One would think so. One would conclude that. For a nation like Australia, our innovative capacity is likely to be one of our greatest assets. Education probably should not be thought of as a cost; it probably ought to be thought of in terms of its contribution to GDP. Anyway, that is an area out of my—

CHAIR—Have you looked at whether or not there is a percentage of people who do not benefit from education, even though it is offered and available—people who really cannot take it up and have that benefit—and what happens to them?

Prof. Hayes—No, we have not done any work on that.

Ms GEORGE—What do these studies show about women's preferences about returning to paid employment after the birth of a child? Are there any studies that show what ideally they would like without the economic constraints that sometimes affect those decisions?

Ms Weston—Certainly. We did a study in 1996 of women's preferences and we found that on the whole most women want part-time work. We have followed that up by using the household income and labour dynamics survey of 2003. That is a longitudinal survey which the Australian government is funding. I have looked at it only in terms of the women who are working. We will look at women whose youngest child is aged nought to four years of age. Of those who are working one to 14 hours, in the 1996 study 15 per cent wanted to work longer hours, and in the 2003 study 42 per cent wanted to work longer hours. The wording of the question was slightly different, but it seems unlikely that the wording of the question would account for such an enormous difference in changes in the work preferences. Of those working 15 to 29 hours, in the earlier study five per cent wanted longer hours and in the later study it was up to 19 per cent. So, even though there is still a preference for part-time work, it seems that there is a shift in the preference for longer hours but less than full-time work.

Ms GEORGE—In terms of the age of their children when they seek to return to work, are there any studies which say that X number of mums want to be home for the first two years?

Prof. Hayes—Yes. About seven per cent of children are in formal care before the age of 12 months; 67 per cent are in parental care only. In the second year of life, 27 per cent are in formal care; 43 per cent are in parental care only. By the time children are two to three, 42 per cent are in formal care and 35 per cent are in parental care only. This is an important point in comparing US studies with Australian situations of child care and its impacts on children. The issue is that it is less common for Australian women to want to return to work in the first year of their child's life, and we have a higher quality and much more extensive quality assured system of child care, which is quite uncommon in the United States. Here, for over 4,000 child-care centres, we have compliance with the quality improvement and assurance system at about 97 per cent—I think that is the latest figure. In the US nationally, only 4,000 centres are engaged in the voluntary systems of quality assurance. The issue of the quality of child care bears on the matter of the greater value and benefit that these sorts of supports provide for children nationally.

Mr QUICK—On the issue of the cost of parenting, has any research been done into how that allows or disallows couples to say, 'We will or we won't'? You listed 28 reasons why and some received greater preferences than others. These issues concern the cost of parenting, the loss of wages, the cost of mortgages and the availability of child care come back to the societal issue. Do the employers have some sort of role in ensuring that these options are available?

Ms Weston—The ability to afford having a child is at the top of the list of the most important factors. The majority of people saw that as clearly important. That can mean a variety of things to some people. In their answers to open-ended questions, they were referring to the inability to afford private schooling for their children. So costs are very much bound up with values too.

Mr QUICK—Are there regional differences between the five capital cities?

Ms Weston—In terms of affordability?

Mr QUICK—Yes, and birth rates, and regional and rural areas.

Ms Weston—There are certainly differences in birth rates across the states. Victoria and the ACT have the lowest fertility rates. The ACT has the lowest and the Northern Territory has the highest. Rural areas have higher fertility rates than urban areas.

Mr QUICK—So, even though there are fewer services in the regional areas, less support and less access to child care, you have got a greater fertility rate.

Ms Weston—That is true.

Mr QUICK—The highest wages in Australia are in the ACT, with the lowest fertility rate and probably the best services.

Ms Weston—There is also access to family planning services and higher education levels in the urban areas. There are a host of factors. There are differences in housing costs. A host of factors might explain these differences. There are higher employment rates of women in urban areas. That is a reciprocal relationship. Education and having children are reciprocally related in the sense that if you have your children early then it is very difficult to enter education but if you are in education then it is very difficult to have children. It is reciprocal.

Mr QUICK—You mentioned that there is a blip in the fertility rate. It is at 4,000, up from 3,000. I guess we will have to wait for the longitudinal studies to see whether that will increase the birth rate. Do you have any idea whether this trend is a result of that one initial decision?

Ms Weston—There would not be one factor that would affect trends. It would be a package of factors, and that may be one of the contributing factors—media attention, the attention of policy makers about having children, the discussions in the media about people who are sorry now they have left it too late or have changed their minds and now it is too late to have children. There has certainly been on the radio quite a bit of talking about reasons people are not having children, lost opportunities and so forth. So, yes, all of this attention, including the baby bonus and other factors, are likely to have influenced people's decisions about having children. Whether it is about people who are just bringing forward the child that they intended to have, we do not know yet. We will have to wait and see.

Mr QUICK—We are saying that low education equals high fertility rates and higher education equals lower fertility rate. Is that being changed by the parenting payment and the bonus?

Ms Weston—It is impossible to tell and it is too early to tell. The figures we are getting from the ABS suggesting this upswing are preliminary figures.

Prof. Hayes—You might speculate—and it is a speculation—that there are changes in the attitudes among young, educated men and women. You see some evidence of shifts in the balance in terms of caring work and responsibility, at least in the thinking of young people. I think also that the downside of some of the magic bullets, like assisted reproductive technologies, is becoming much more apparent to people. I think a lot of people believed that they could leave it and IVF would solve the problem magically. I think people are realising that it is quite an emotionally fraught row to hoe with a very low success rate for many couples. There are changes that occur. Social science is full of the nature of secular trends—changes where the whole of the population shifts. I think it is very difficult to attribute that to one single factor.

CHAIR—I do not think you want to downplay the importance of IVF. In our other inquiry, we heard the peak rate of adoptions back in 1971 was 7,000 a year. In 1972 it went to 10,000 and then came back to 7,000. Then in this last year there were 7,000 births by IVF. It has been very fulfilling for some people too and I do not think you want to overplay that.

Prof. Hayes—I do not intend to imply that. What I am saying is that people are aware now that there is a more balanced debate around it. I do not in any way underestimate the importance of it to those 7,000 families at all, but I think it is indicative—it is one factor—of a change in the attitude that a lot of younger people have towards parenting, career and the balance. Also, when you consider the probability that a girl born today will live to 100 years of age—

CHAIR—Plus.

Prof. Hayes—the meaning of a 'life span' is changing quite dramatically. Unfortunately, our reproductive window is not. So we have a constraint biologically, but demographically we have

a prolongation. It is an interesting question, in terms of making policy: how do you vertically integrate to take account of the changes that are occurring and of increasing diversity?

CHAIR—There is also the very important point, that you and others make, about women's participation rate increasing; I think the phrase in here is that 'men have not entered the home as women have entered the work force'. I think that is quite a significant statement. It means that women are actually doing both jobs. Women's work has not really lessened except that technology has made the actual housework easier. I think that is the reality, and I think it is probably going to continue. But when we are looking at policy, and what can make it better for people, then we obviously come to the taxation question and to money.

We have been taking evidence from quite a few witnesses on the question of salary sacrifice, where the purpose of the salary sacrifice would be to pay child-care expenses. The 30 per cent rebate is the equivalent of a tax deduction for 80 per cent of wage earners. If you look at the \$4,000 cap on it, in New South Wales I think it costs, for one child, \$350 a week for child care five days a week; that is about \$15,000 plus, with a cap of \$4,000. So it is still an enormous expense. Have you looked at the question of something like salary sacrifice with an FBT exemption, and do you have an opinion on that?

Dr Gray—No, I do not think that is a question that we have conducted research on. We have certainly conducted research on use of child care but we have not looked at different arrangements for government contributions towards the cost of child care.

CHAIR—You talk about informal child care in your submission, but that really equates to grandparents, by and large.

Dr Gray—Grandparents are a very important source, but so are aunts and uncles—usually aunts.

CHAIR—With us living longer, and keeping people in the work force longer, we have a problem here, haven't we? Our policy—and it is one I thoroughly approve of—is that people should stay in the work force longer. But these are the same people who, if they retired early, would be looking after the kids for the new ones coming in. So we actually have a conflict, haven't we? We are saying we want women to return to the work force and we do not have enough child-care places, yet the informal care is going to lessen because we want those people to stay in the work force too. Have you done any work on resolving that conflict in policy?

Prof. Hayes—We have not done any work on resolving the conflict in policy, but we have reflected on it in the child-care choices project which is being conducted with Macquarie University and Charles Sturt University. It is clear that a lot of families do actively have a preference for a mix of child care. Informal care is seen as very important. Those who have higher hours of employment are more likely to be using some form of a mix of informal and formal care. The values they ascribe to it are the benefits of, for example, contact with aunts, uncles and grandparents, and of making time for them to form relationships with children. There is also the benefit of extending the family network, and I think the attachment literature from the 1960s onwards has shown the importance in not human attachment of a single bond to one parent but an attachment to a group of family members. We have also shown in that study that, apart from the active preference for that mix, issues related to quality of care seem to be the

biggest driver of people's decisions about it. I think the affordability debate is often confounded with it, because people are not prepared to accept cheaper but low-quality options.

CHAIR—Let us look at some other evidence we have taken, from people who are conducting professional nanny services. The evidence given to us is that people would like the option of having someone in their own home to look after their children. Sometimes, those people could be relatives, who under our system have to do it for free. They say the biggest competitor they have is the black market—people who do the work for cash. Take a look at the ABS figures. The last time I did so, the work of services provided into houses in the cash economy is worth about \$6 billion in forgone tax. If you had a system where you could use salary sacrifice to pay for child care in your own home and you had a system of a tax file number and a small withholding tax, all those people operating in the black economy without any occupational health and safety, super or proper backup would become proper employees and would start contributing to the tax base. Do you have a view about that?

Prof. Hayes—The view I would have would relate to the issues of quality assurance and regulation that I spoke about. That has been one of the hallmarks of the system in Australia. I think the thing is that it is not a matter of any care, whether it is parental care or care by others; it is the quality of that care. There are issues of child protection involved, and there are issues of the contribution that care makes to the education and development of children. I think that is where this country has had a proud tradition of well over a century now—led, I might say, by women—of establishing arguably the best system of early childhood support that you will find in any country. People talk about differences in Scandinavia, for example, but I think the comprehensiveness of the system cannot be underestimated. I think the danger is that at the moment we have a major shortage of trained people to work in children's services, particularly early childhood services. I think there are a lot of reasons one would want to make sure that whatever system comes into place is regulated and accreditation is achieved.

CHAIR—But you are making my point. The people who are providing the professional nanny services—and I will use the term 'nanny' for want of a better one—are actually engaging in training operations too. But they are competing with the black economy, where there is no training. They are outside the tax system. We have 250,000 government supplied places and half a million children, and we have another 200,000 children who are looking for before- and after-school care. So we have a hell of kids out there who are being minded by heaven knows whom.

Prof. Hayes—Correct.

CHAIR—It would seem to me that, if we have a situation where we can expand the number of people who are exposed to training and exposed to be in the regular tax-paying economy rather than the black economy then we have a much better chance of having people in much better care than we have with the existing situation.

Prof. Hayes—Then the question becomes the capacity of the nation to provide appropriate training and to ensure quality. I think that is the issue. I could not agree with you more that you do not want children cared for in adverse, risky circumstances. The literature on brain development is interesting, because it bears most on the issue of children who are in circumstances of abuse and neglect. I think the tensions between the need for child protection on the one hand and the need to meet appropriate quality child care needs to be reconciled in the

debate. But I do not disagree at all. It is like anything: if it is unregulated, backyard shonky operations versus things where you have standards and qualities then it is a no-brainer.

Ms GEORGE—Could I just go back to explore the surveys which are now showing that the societies with the highest rates of female participation are also the societies in which fertility is higher. That then correlates, according to these studies that I read, to supportive government policies on family-work balance. Looking a few years ahead: you probably heard some of the exchange that went on about the employers' view that a lot of these supportive measures have to be weighed against employer capacity to pay. We are also likely to run up against a situation where the historical means that we have pursued some of these changes through—for example, test cases through the Industrial Relations Commission on parental leave, carers leave and equal pay—may not be available. That seems to suggest to me that legislation and government intervention might be the mechanism through which some of these measures might be dealt with in the future.

There is a lot of talk about the need to get higher rates of female participation, particularly among women with dependent children, and that is not going to happen unless the environment is conducive to their re-entry. What can we learn from the European and Scandinavian experiences that might be a guide to future policy determination in these areas? It does seem to me that they have used different mechanisms to those traditionally used here, and their welfare systems seem to provide a greater measure—take paid maternity leave as an example. Would you like to steer us in the direction of where we might read a bit more about what governments have done overseas that might be worth emulating here?

Dr Gray—A significant number of papers have been written on what has happened in Europe, the US, Japan and various other countries. We can certainly provide some material.

Ms GEORGE—Apart from the paid maternity leave issue, which everyone is quite conversant with, what other policies exist in these countries?

Dr Gray—They differ across countries. That is one of the difficulties in pinning it down. Where women are faced with the choice of having a child when that is going to have a very detrimental effect on their economic independence and career, women will delay having children and have fewer, and a greater number will have no children. So it is that combination of policies which enable women to have children and to maintain careers. That can vary across countries and I think that it needs to be tailored to the specific nature of each country. In some countries it can be a greater reliance on part-time work; in other countries it is a greater use of full-time work but perhaps combined with shorter working hours. There is no one policy that you can name. It is a combination that, when taken together, gives women greater choice around when they have children so that it is not seen as being the end of your career or something that will have a very significant negative impact. In some of the southern European countries there are also issues about whether, if you have children and get married, that also brings greater obligations with respect to caring for adults, especially your partner's parents. We can certainly provide some material for the committee.

CHAIR—Professor Hayes, I thank you and your team very much for appearing today and for your submission. I have to say, I would like perhaps at another time to be able to deal more specifically with chapter 3 of your submission, which is about the understanding that mothers

have of the availability of aid to them, and also—I do not think it is in that submission—with the take-up rate that occurs because of a lack of understanding. We did say that we would eat into our eating time, as distinct from the community forum time, and I think that if we entered into this third chapter now we would eat into too much of it and we would not eat at all, so perhaps I could ask if you would mind coming back at another time when we can look specifically at chapter 3.

Prof. Hayes—We would be very happy to do that. Mr Alexander was the principal research fellow on the project, and we would be more than happy to meet with you again.

CHAIR—I would be very grateful to you if you would, because I think that is a very important issue for us to look at so we can recommend good policy.

Prof. Hayes—If you want, we could go to Canberra, for example, to meet there.

CHAIR—Could you do that? We would be very grateful.

Mrs IRWIN—I was just suggesting it would be great if you could go to Canberra.

CHAIR—I think we might organise it that way. I thank you very much for a very thought-provoking submission and the quality of it and the information that we have been able to draw from it.

Prof. Hayes—Thank you. We neglected to table some reports earlier that we thought would be of interest to the committee. Is it possible for you to accept them now?

CHAIR—Yes, it is.

Prof. Hayes—We brought *Diversity and change in Australian Families* and the *Fertility Decision Making* report in full. My apologies for not doing this at the appropriate moment.

CHAIR—Is it the wish of the committee that those documents as tabled be accepted as exhibits and received as evidence into the inquiry into balancing work and family? There being no objection, it is so ordered.

Prof. Hayes—Thank you very much.

[1.01 pm]

CHAIR—We now come to our community forum. This is a new segment that we have introduced into our public hearings because we feel that the contribution that people might like to make without going through the formal submission process is very valuable to us. We used it in Brisbane just over a week ago and it was very successful. I invite whoever would like to come forward to do so and be the first witness.

Anna—I am 28 years old and married with two children, aged four and one, and another on the way. I work full time as a teacher at a western suburbs primary school. I would like to speak to you today regarding the difficulties I faced when my second child was born. My experience highlights some career and social disincentives to starting families. I was in my second year of teaching, on a short-term contract, when I became pregnant with my second child—my first was born while I was still at university. I am very lucky. I have the fortune of having my parents and in-laws at home looking after my children, so child care was not a problem for me as it is for many other Australian families. So I am not going to speak to you about the difficulties of child care. My issues are to do with career and finances and my ability to return to work and continue to breastfeed.

As a young family we are just starting out and I simply could not afford not to work. At the time of the birth of my second child I was a contract teacher and did not have access to extended family leave. My husband was and still is a contract worker. Also, because I was so new to my job I felt that I had to return to work to prove to my employer that I was capable of being both a mother and an effective teacher. I desperately wanted to prove my professional worth in the hope of increasing my job security. At the time, returning to work after the birth seemed to be the only way to achieve this. I breastfed my first child, who was born while I was at university—as a student I was able to arrange my classes to suit my needs—and I desperately wanted to breastfeed my second child as well.

Since 2003 the Australian Breastfeeding Association and the World Health Organisation have said that infants should be exclusively breastfed for the first six months of life. Of course, there are health advantages to both the mother and the baby, not to mention huge economic benefits. In Australia, official public health guidelines do say that infants should be fed breast milk for their first six months and, hopefully, beyond. But I knew that returning to work while breastfeeding might cause me health problems. The International Labour Organisation recommends two 30-minute lactation breaks during every eight-hour shift, and my doctor warned me not to go more than four hours without feeding or expressing. Of course, that poses problems when returning to work full time. Increased time between feeding or expressing milk increases the risk of developing mastitis, which in my case would have forced me to stop feeding altogether.

Secondly, increased time between lactation would have reduced the amount of breast milk that I was producing, as milk is made on a supply-and-demand basis. We have guidelines telling us that babies are better off being breastfed, but economic situations can unfortunately require mothers to return to work within weeks of their baby's birth. In my situation my baby was eight weeks old. Essentially, I had to rely on my principal's goodwill to allow me to take lactation

breaks on returning to work. I basically had to rely on his approval to feed my baby. I believe that I, along with all Australian women, have the right to breastfeed and to work.

With the expected arrival soon of baby No. 3 I would like the comfort of knowing that a woman's choice to return to work and breastfeed was not just supported but encouraged by government policy. It is very hard to achieve work and family balance. I have had to be superorganised in every way. Some days I feel so tired but I look at the bigger picture and I keep on going. A colleague said to me the other day, 'Anna, we have to be superwomen.' I think to be a professional young woman with a young family and try to do it all, including breastfeeding babies, is a really big task. Thank you for listening.

CHAIR—Thank you very much.

Lorelle—I am a full-time worker and a full-time mother. I have two sons, aged seven and five. I live in the north-western suburbs and have found that child care has been particularly difficult. I want to enlighten you—you may already know—about the supply-and-demand situation in that area. I have a child who is five. He is in private child care, which is incredibly expensive—but that is just the way it is. Last year our child-care fees went up twice within six months and even a few weeks ago they went up again by \$20 a week. That was supposedly in line with the government changes to the child-care award. That was great because those guys do a really good job and I know they do not get fantastic wages, but I felt that our child-care fees went up by way over that amount. When I approached our child-care centre about that they said, 'What are you going to do? You can leave.' They know that they have a three-year waiting list on their books. So you say, 'We'll stay and pay the extra money.' They've got you over a barrel because where else are you going to go if there are not enough places? If you go, you are in limbo. They know that as soon as you walk out the door they have three years worth of other kids waiting to get in. I know that I am just one person in that area with that problem but I felt that, if I did not say something, who else would say it? I am sure there are a lot of people out there who are not being heard.

I also have a son who is in grade 2. There was something I found when integrating him into school—and when integrating my five-year-old into school. They go to what I consider to be a fairly progressive primary school. For the last six weeks of the last term, the kids going to primary school the next year are able to integrate into the primary school. That is a great idea and it is really worth while for the kids starting prep to be able to familiarise themselves with the primary school, but they run that integration program between one o'clock and four o'clock every Friday for the last six weeks of term. How am I, being a full-time worker, meant to do that? With my first child I took three annual leave days over six half-days. It was hard. You have a right to be able to do it. You have a right for your kids to be able to integrate into primary school properly. You have a right to be a parent and work, but at the same time it can be very difficult. Sometimes there is power in what is not being said or what it said behind closed doors: 'There goes so-and-so wanting to take leave for their kids again.'

When I approached the school this year about trying to see if there were any other alternatives to that, they said, 'Just get a grandparent to come and take them.' I said, 'I'm sorry; they're all dead.' It is not that easy. Also, next term, which is their first term of prep, my child is going to be away from school every Wednesday. I understand that that is so the little kids do not get tired out in their first year of schooling, and that is great, but what do you do every Wednesday for that

first term of prep? With regard to their school hours, I think they finish at 2.30 pm for the first term. How do you do that? There is no magic grandparent in a bottle that you rely on to pick them up or stay with them every Wednesday.

I really wanted to voice my opinion because I feel like I am one person with one child who is facing this situation, and I am sure there are a lot of other people out there who are in the same predicament, are really stuck and are not sure what to do. Having a good relationship with my employer, I may be able to save up my annual leave or carers leave, but it would be really great if there were some provision within the award to be able to say: 'Hang on. Kids need to integrate into school. Maybe it can be taken as a separate sort of leave, such as "kids' integration into school leave".' I am not sure, but I really think that it needs to be looked at.

CHAIR—Maybe the state government should think about your needs too.

Lorelle—That would be nice.

CHAIR—Thank you very much.

Lorelle—Good luck with everything.

CHAIR—We are grateful for you coming.

Kerry—I am also a teacher. I have three sons. Initially, when my first child was born, I was in a position where I was lucky enough to have family leave, which was a wonderful thing. However, it was very difficult financially to be on unpaid leave. At the time, it was very difficult for me to negotiate a return to work on a part-time basis, so while I was on family leave I eventually took up another job to assist me to get by by providing a bit of income because I was not able to return to my profession on a part-time basis. I think it is probably really important to be able to accept that women who have young children may still want to work in their chosen profession but they would need to be able to have some sort of negotiated return to work that is part time. Anyway, I could not do that at the time, so I had nine years of family leave. That is because children choose to come when they choose to come and my family was spread out.

When I went back to work, my youngest child was two. It was very difficult for me to work full time with a two-year-old and two other children. At the time, I had child-care needs for my two-year-old and before- and after-school care for my two other sons. There was a lot of juggling to be done. I felt that it was really important for my child, when he turned three and four, to have access to a preschool education. I certainly preferred him to be involved in preschool than to be involved in an education program at a child-care centre. It was really difficult to try to organise child care around those sorts of needs. We tried family day care, which worked in some ways but not in others. We were also in a situation where our family day care provider wanted to have one day a week when she was not working, which I fully understood, but that also meant that we had a mix of some formal and some informal child-care situations.

One of the things I noticed with before- and after-school care and child care was that at the end of the week a lot of the money that was coming in was actually going into child care, so it was difficult financially. When I did return to work full time, eventually as the children got older it was a bit easier because some of them did not require before- or after-school care. Another

thing that I noticed as a parent with three children, who were unfortunately all asthmatics, was that my carers leave never seemed to be enough. Five days would be very quickly eaten up by one family episode of asthma. There was usually more than one per year. There were various accidents, including broken elbows and smashed teeth. Even though my husband is a perfectly capable parent, it always seemed that I would be the one who would be rung up and asked to leave my work to go and tend to the sick or injured child. I was always happy to do that but that has left me in a situation where if I look at my sick leave I see there is not as much as I would like, yet my husband has hundreds of days. There is always that inequity where it seems that the woman is the person who is contacted. As I said, I was always happy to go, but that has been an issue.

Another issue for me is that having that long break, as I was not able to return to part-time employment, has left me with not the same level of superannuation that a male colleague would have in the same circumstance. So I am very much aware that when I am looking towards retirement I will be required to top up that superannuation in order to achieve the same level as that of someone who has had continuous service. I think it is probably an issue for a lot of women that they would have that imbalance. I will not have the option of cashing out my superannuation and buying a sports car, or whatever some people do, because my funds will not be at the same level as theirs. That is an issue for me when looking at the big picture as to my financial security.

CHAIR—Thank you very much.

Suzanne—I represent the Women's Electoral Lobby and the National Pay Equity Coalition. I would like to thank you for giving us this opportunity to be heard. Unfortunately, ours are voluntary organisations and we are not in a position to make submissions on all of the sorts of things that we would like to, so this is a very good opportunity. For the last 25 years the Women's Electoral Lobby and the National Pay Equity Coalition have fought long and hard to improve women's work force participation and equality in the work force for them to be able to balance their work and family arrangements. We are very concerned about, and we have had several national meetings on, the current changes that are proposed for industrial relations regulation.

Over time we have been involved in submissions to the industrial commission and the federal parliament on having such things introduced as paid maternity leave, access to rights to return to part-time work, superannuation and equal pay. We have had all those sorts of things put into awards and agreements. We are very concerned that the current government policy will move people away from those awards and agreements and force them onto individual contracts, Australian workplace agreements. Studies that we look at indicate to us that work and family provisions are neglected in those agreements. We are concerned that women will miss out. They will lose the benefits that women have fought long and hard for over the last 100 years. We are also very concerned about the way minimum wages will be set. Over time in Australia minimum wages have been set by the industrial commission. We are concerned that, particularly with the 'low-pay commission', we may see a decline in minimum wages similar to what has been the case in the United States.

As you would be aware, many women are low-pay workers. They will suffer under this regime of being forced onto individual contracts. Members of the National Pay Equity Coalition,

the Women's Electoral Lobby and various other groups—other women's organisations—are very concerned about this and are meeting at the moment on this. We would like the members of this committee to make these concerns heard in the federal parliament. We hope that when the legislation goes to parliament and discussions come up about the changes to industrial relations regulation, these factors will be taken into account: women's issues, women's work and family, and women's ability to be able to balance all the needs.

CHAIR—Thank you very much.

Terrie—Good afternoon. I am representing a member of the Health Services Union, Lorraine Ferreira, who was unable to come along this afternoon. We were expecting her to come but she worked a night shift last night and we suspect that she has slept in. She will be putting forward a written submission. However, we felt that it was important that we come along and actually present an issue of concern in relation to employment practices. Lorraine works as a casual nurse for a number of organisations, including our public sector public hospitals. Recently she was told that her services were no longer required simply because she was not making herself available to cover a shift because she had to take her children to the doctor. That is of great concern obviously to us and we will be pursuing that. But no doubt as we pursue it the arguments that will come forward from the employer will be all sorts of other things, when in fact we know the gut feel and we know from the discussion from within the organisation that the reality is that she was not making herself available due to her responsibilities as a parent to look after her children.

Another issue I also wish to raise with you—and it is one that that we get lots of experiences with—concerns a provision called 48-52 we have in some of our enterprise agreements, which allows people to trade off financially some of their income for additional leave. That provision says that it should not be unreasonably withheld. It is not uncommon for the standard answer to be no when anyone asks for it for the first time. Of course it is then a long and arduous effort to go through a process for our members to be able to access that entitlement—which is at no cost to the employer, I might add. That was a provision which was sought to enable people who have family responsibilities, be it young children or older parents, to be able to provide that. In spite of the fact that we actually have a provision, because of the words 'that it not be unreasonably withheld' it means that as a matter of practice it is something that is not automatically granted.

One final issue comes from an exercise recently where we looked at our public sector agencies. In Victoria they are not public service, but they are public sector. We looked at our public hospitals and our metropolitan health services, in which we included Geelong—we consider that one of the larger ones—and of our 12 directors of human resources in the 12 metropolitan health services, 10 of them are male. I raise that point because it is the directors of human resources who are actually responsible for the development of employment practice and policy within these organisations and who have direct access to the boards. It is something that probably should be looked at in some way, shape or form. You will see, when we do make our written submission in this regard, that we think that this is a factor in there not being enough family-friendly employment practices around. Thank you.

CHAIR—Thank you very much.

Jayne—Good afternoon. I am also from the Health Services Union and am here representing some members. There were two members who were coming to speak to you today.

Unfortunately, one was not allowed to attend—her employer withdrew the permission for her to attend to speak to the House of Representatives. The other gentlemen was actually called in to work. I thought it was important that a man come and put his views to you, because they are often left behind. The lady has been working in HR for a very long time. She has not had a family holiday for 20 years, because she and her husband, both being professional, tag-team their holidays to cover their school holidays. This is where as a union we bring in the 48-52 that Terry was talking about earlier.

I also recently completed an enterprise bargaining agreement with a female dominant health sector. They really pushed for 48-52, because they found that was a way in which they could balance their family and work lives without it costing the employer, in that they are paying for it themselves to cover school holidays. We will also be putting in written submissions on that.

CHAIR—Thank you very much for coming today.

Daniel—I am a father of two young boys. One is 3½ and the other is two years old. I live with them and my wife in rural Victoria. I am also a part-time research fellow with an organisation called OzProspect. They are a non-partisan public policy think tank. I have already submitted a written submission about young parents, which is a certain area of research that I am interested in. I saw, in a lot of the other submissions and in some of the larger research bodies, the strong focus that exists on the early years at the moment and the importance of that. I thought it was important to put a different slant on some of the issues that are obviously going to dominate these discussions.

My first point is that I think that informal child care is sometimes given a bad rap. There is a sociologist by the name of Frank Furedi who has written a book called *Paranoid Parenting*. He points out in a very strong way that childhood professionals, in some ways, do undermine the value of parents and the community in raising children, that there is some inherent value in the way parents interact with children, the way communities—neighbours, the baker down the street et cetera—interact and the way children learn from that experience. Children are spending more and more time in formal care arrangements where, because of our risk-averse society, it is very difficult to take the children out of those rooms and playgrounds and into the community, and the idea is that perhaps this has some impact on children that the evidence that we currently have has not shown. It is the nature of social sciences that the evidence is only good at the time and, further on down the track, things can change.

This leads to my second point, which is that the risk that children are at in our society is overstated. I think that in many ways children's development sometimes is limited these days by the fact that we are not prepared to allow our children to engage in behaviours that 20 or 30 years ago were—or even now in some other countries are—quite acceptable but which we find for a range of different reasons, particularly media representations and others, that children cannot do. We see that in simple things like the removal of see-saws and other types of play equipment from playgrounds. We see it in a number of ways: name me a child-care centre that is prepared to take all of their children out on an excursion or some sort of other activity like that.

My third point is that I think that centre based child care, while it has its place and is very important, is in some ways a simplistic model for a rather complex society and a rather complex debate, which is the work and family and life balance debate. In some ways our current child-

care models are really parent centred, rather than being child centred. I think this is an interesting fact in terms of the line that most early childhood professionals push, because the child-care centres are really there to serve the needs of parents who need to go out and work. There is nothing wrong with this, but I believe that the child-care model that we currently have is not necessarily in crisis, as we hear every second week. It is actually suffering from a lack of flexibility: in the way we fund and in the number of choices available to parents in terms of the wide range of ways in which they could have their children cared for while they participate in work.

I am heartened to hear some of the suggestions that are coming out of this committee in terms of moving towards a model where children are cared for more in the home. It is interesting that other community services, like disability services and aged care, are operating under a philosophy that institutionalisation is less effective, more costly and less beneficial to their clients. Yet in the early years area, it seems a bit paradoxical that we are saying children need to be in these child-care centres and we just need more and more places.

I have given a bit of thought to models—whether there should be a different take on the nanny system, how they should be funded—and there is a range of different ways of doing things that I am sure you will discuss at length. One thing I would like to add is that I like the idea of families actually combining whatever subsidies they receive in a more flexible model. Perhaps they could invite people into the home—three families could combine their money and put in a bit extra, which would mean they could pay an early childhood professional for, say, 2½ days a week. During that time that person might care for a couple of children who are under school age and pick up the others, who might be in later primary school. For the other 2½ days the families, who might have a range of different working arrangements, would then be able to spend time in more informal arrangements—looking after each other's children, getting grandparents to come in and all the rest of it. That would mean you would be heading towards an approach that involved much greater community development and that was much more rooted in supporting communities to take greater responsibility for how they cared for children, rather than always putting it back on government, saying, 'You have to have more child-care places, you have to give us more money, you have to do this and that.' I would like to thank you for your time and for pursuing this through your committee.

Susan—Good afternoon. I have five children, ranging in age from 22 down to four, so I have experienced a lot of situations in working. I have worked part time and I have worked full time and I am now studying—because I do not want to be one of those less intelligent sole parents.

At one point when I was married I wanted to go back to work to improve our financial situation. At that stage I went and got a job as a medical receptionist, thinking that it would be easy: I would just trot off and get some child care. I did the sums and found out that we would actually be \$10 a week better off, by the time the benefits were cut and we had paid taxes and child care, but I thought, 'Whacko, at least I will get out of the house for three or four days.' I knew that \$10 would be eaten away by petrol and clothing costs. Anyway, I need not have worried, because after three years of having the kids on the waiting lists of four different child-care centres I actually did not get in anywhere.

So I think that, while you are looking at balancing work and family, in each situation it always seems to be the woman who is doing the balancing: and it is more than balancing; it is an

absolute juggling act. I think there must be a better way. With women re-entering the work force, I think men have not really made any allowances. I think men should be looking at part-time employment as well—we are all talking about women being part-time employed and everything else. I know two members of my family had a wonderful situation where they were allowed to do their 38-hour week in three days. They each worked three days a week: one would work Monday, Tuesday and Wednesday and the children would be at home with the other parent, and then they swapped over and the other one worked Thursday, Friday and Saturday. They did not have to worry about child care, they got their 38-hour week and the children always had one parent available. That was wonderful—perhaps you would have to shorten the working hours or there might need to be an overlap, where it became a four-day week and the hours in the day were extended so that you could overlap that time—because men do miss out on child rearing as well. All of a sudden they look at these teenagers and say, ‘My God, who are they?’ because they have been in employment for so long. So they are making a sacrifice because they do not know their children.

There is also the newly introduced policy of forcing sole mothers and people with disabilities back to work. Once children reach school age, there is an assumption that their parents are all sitting at home watching *Days of Our Lives*, but schools rely so heavily on the unpaid work of parents—in the form of committee work, classroom help, help with excursions and help in tuck shops and uniform shops. Schools could not function without that work, and for parents to miss out on all those things in their children’s early childhood years because they are single parents and have not got the option—or even when they are part of a married couple—is, I think, terrible. I do not think we need punitive legislation. From my research 95 per cent of single parents want to work. Only five per cent are not actively looking for work. So, rather than punishing them for not being able to find work, there should be a bit of incentive for employers to take on people that have been out of the work force for a long time or who have a disability.

I have a girlfriend who lost a leg to cancer and is in a wheelchair, and I am staggered at the number of jobs she applies for. She quite often misses out on them because of her disability. She will apply for up to 20 jobs a week, and she just keeps doing it. The places she applies to show all sorts of enthusiasm, and then they find out she has a disability, and that enthusiasm goes. She has done extra study, she has updated her qualifications and she has really excellent computer skills. Rather than punishing people because they cannot find employment that allows them to juggle work and family, we need to create incentives for employers. Thank you for your time.

CHAIR—Thank you very much.

Barbara—I am the women’s officer at the Australian Education Union. I was not going to speak but I felt I just had to, so thank you for letting me. I wanted to reinforce a point that I think is implicit in a lot of the statements that the members of the community section have been making today, and that is the difference between an entitlement or a right and a request. This is something that we find very clearly in the whole education sector. Where something is an entitlement which is in the award or the agreement, women can then access their paid maternity leave, their seven years family leave with return to a school. Where it is the right to request something and it is left up to the principal’s discretion, I get calls all the time. For example, there might be a woman with two children under three and the principal in a small country town wants her to go back full time. There is no child care and she does not want to. These children are tiny.

I had a case where one woman had been on IVF for 10 years and finally had a child, and the principal wanted her back at the school. The child was four weeks old. She had found somebody to job-share with. She had done all that work but still this principal would not entertain that option. He said, 'No; at my school I don't like job share in the grades.' I have a lot of people for whom we finally take it to an appeal mechanism and they get this right that they have been able to request and then they are victimised for being able to access that part-time work. One older woman looking after her very sick mother nursed her till she died and was greatly victimised because we had won her the right to have part-time work so that she could manage the care of her old mother. All these situations are worse if somebody is in a contract position or precarious employment.

I just wanted to draw to your attention that I really do feel that things are much better for women where the workplace is regulated, where there are awards and entitlements. The teacher union women have fought for a long time for a lot of those rights and if things are just left up to the individual powerless woman who is pregnant, desperate for a job and has got a contract, we are not going to see any work-life balance. Thank you.

CHAIR—I would like to thank you all very much for coming and participating and giving your point of view. It was particularly nice to have a gentleman come along. I am not saying that in a way that says that his testimony is more special than the other testimony, but the fact is that, if we are to balance out, we have to hear from both sides and so I was grateful that he was able to come. The points that each and every one of you made are very valid and important to our inquiry. It fits in with some of the evidence we are taking. It gives us specific examples of some of the evidence we are taking. So we are particularly grateful to you for taking part in the community forum. It is an idea, as I said, that is new and we have started to develop it. It is one we are going to keep going with because I think it is quite an important part of our inquiry so that it is not always the specialised people but it is ordinary stories that ordinary folk have to tell. So thank you very much for being part of that.

Proceedings suspended from 1.39 pm to 2.18 pm

CHALMERS, Dr Jenny, Senior Research Associate, Centre for Applied Social Research, Royal Melbourne Institute of Technology University

CHARLESWORTH, Dr Sara, Research Fellow, Centre for Applied Social Research, Royal Melbourne Institute of Technology University

Witnesses were then sworn—

CHAIR—Welcome. We thank you for your submission. I invite you to make an opening statement.

Dr Charlesworth—My colleague Iain Campbell, who is currently not in Australia so is unable to be here, and I made a formal submission to this inquiry. My colleague Jenny Chalmers, who has recently done a study on the consequences of part-time work, is here to provide separate evidence than that contained in the submission from Ian and me. In my allocated five minutes I will sketch out a little of my background and the main points in our submission. I am very happy to answer questions on it.

I am a researcher who has been researching the issues of gender equity and work-family issues for over 15 years. I have got an interest particularly in gender discrimination in employment. I sat on the Victorian Equal Opportunity Board for six years between 1988 and 1994. I have undertaken a study among others for the Human Rights Commission on the impact of bargaining for women workers. I am currently looking at workplace understandings of discrimination, including work-family discrimination.

My interest in work-family goes back about 10 years. I have undertaken more than 60 work and family needs assessments in a mix of private and public sector organisations. I have recently completed organisational research in nine large Australian companies looking at why those particular companies take up EEO initiatives, including those to do with family friendly work arrangements and how they sustain those initiatives over time. With my colleague Iain and others at CASR, as we call the centre, we undertook a major study for the Victorian government looking at options for work-family balance. I am involved in another study with a colleague from the University of Sydney into large Australian corporations looking at how you achieve work-life balance, gender equity and organisational effectiveness. I am currently working on a project on what is called quality part-time work with Victoria Police.

Briefly, as we have noted, our submission goes to your committee's second term of reference—making it easier for parents to return to the paid work force—but this is clearly linked and intersects very much with your other two terms of reference. Essentially, this is our contention, based on the available evidence: the composition of the Australian work force has changed quite dramatically over the last 20 years, particularly through the increased participation of mothers with dependent children. Our workplaces, industrial regulation and institutional arrangements are still geared around the ideal worker: an unencumbered, typically male worker who is available to work as required by his employer. So many mothers can only engage in paid work at the expense of secure, properly remunerated and integrated employment. We use our submission to argue that our workplaces, in particular the organisation of work and the design of

jobs, need to change to reflect the new reality that we have got with our changes, particularly in families and women's participation.

Briefly, as I said, our submission, which draws on a background report we prepared for the ACTU as part of their submission in the work and family test case before the Industrial Relations Commission, draws out a number of key trends. Given those changes, we argue that the workplace is a crucial site of intervention. Your terms of reference address other sites of intervention, but we still maintain that the workplace is particularly critical if we are going to work to improve work-family balance for many Australians.

The changes at work and in families place pressures at the sites of transition in and out of the work force around having children. Pressures, both in the short and the long term, fall mainly on women. On page 12 of our submission we have sketched out a typology of pressures—figure 3.1. It is very important to be aware that there are going to be long-term pressures, such as a requirement maybe for reduced hours, but there are also unpredictable pressures that make work and family balance particularly difficult.

We draw in our submission attention to the relative paucity of family friendly measures in the workplaces to which parents have practical access. We also talk about what we call the spread of family hostile measures, so we argue that when you are looking at family friendly measures you also have to consider family hostile measures. They include such things as long hours, work intensification, job security, casualisation, weekend and evening work and the lack of control over working hours.

While we have a large proportion of mothers in part-time employment in Australia, we challenge the view that part-time work is in and of itself family friendly. This is a point that Jenny will address in more detail. Many women welcome the reduced hours of work, but the evidence suggests that they do not welcome the price they have to pay for access to reduced hours in terms of poorer access to career development and training and reduced lifetime earnings. We argue for a notion of quality part-time employment—that is, properly integrated part-time employment that has no fewer or lesser conditions than full-time work.

We are particularly concerned that the proposed industrial relations changes—and this is not something that we addressed in our submission—really threaten to erode the patchy and inadequate framework we have to support parents, particularly mothers in employment. We do not know the exact details of those changes, but it is very clear that they are going to downgrade the award system on which many women, including mothers, are dependent for both wage increases and conditions. That can only lead to increased wage inequality. With regard to reliance on individual contracts, research shows that women earn up to 20 per cent less under those contracts, if one looks at hourly earnings.

Wage inequality is important and is linked with the whole work-family balance issue, because it constrains the choices that families make about participation in work and increases the disincentives for women to take on paid work. That has consequences not only for individual women but also for the long-term sustainability of the labour supply. We know that enterprise bargaining is also not particularly good for women. That earlier human rights commission report that I referred to, which was undertaken in 1996—just a few years after the start of enterprise bargaining—showed that, for many women, there was less fat, if you like, to cut in their work.

They had to give up access to a predictable spread of hours, often extending into unsocial hours. With the IR changes threatening the removal of the no disadvantage test, we are very concerned that that will remove the very limited scrutiny that the Industrial Relations Commission has at the moment.

Clearly, if we are going to be weakening unfair dismissal provisions and making them practically non-existent for workplaces with less than 100 employees, that is going to have the effect of weakening job security. I think that there is an important indirect effect. Laws, as well as protecting individual rights, can also change the environment in which workplaces operate and in which workers carry out their work. That can lead to a loss of a sense of entitlement, particularly to work-family measures but also to job security, which is so crucial. In short, while cross-national studies clearly show the importance of having a framework of minimum standards and entitlements underpin and support workplace initiatives—and that is what our submission went to—we are concerned that Australia is moving rapidly in the opposite direction. That is going to make it very difficult for parents, particularly mothers, to return to and sustain attachment to the paid work force.

CHAIR—Thank you very much. I will begin by asking two questions. What do you consider to be the four most important policy issues concerning the work-family balance?

Dr Charlesworth—One of the most important policy issues is, in fact, to have a policy. In Australia, we have relied very much on the promotion of initiatives at the workplace. We have awards et cetera, but there has not been a clear government policy that actually puts its money where its mouth is and provides incentives for employers to provide family friendly arrangements and does things to encourage a sense of entitlement so that people can take them up. This is of particular concern, because we know that, even in workplaces where there might be family friendly arrangements, people will often be reluctant to take them on—men because it is not seen as something men should do and women because they are often associated with career suicide. The first thing is that we need a clear policy that has some teeth to it that actually looks at really making sure that family friendly arrangements are family friendly. Something along the lines of the UK right to request legislation would fit under that.

As to the second area of policy, I think it is important to look at making sure we have a safety net of minimum standards, particularly in the area of the work-family balance around the predictability of work. It is not just the hours that you work; we know from research—and Jenny can talk about this in the retail industry, for example—that you might have 15 hours of work but that they might be spread over three or four days. For some people the opportunity cost of finding child care and paying for public transport to and from work can generate a real debate about whether that job is worth it. So we need some kind of standard about what is a decent number of hours a day that people can work and also some security—or, perhaps even more importantly, predictability—around when those hours are going to be.

To mention a third area of policy, I think we need better protection under anti-discrimination laws, particularly in the federal sphere, for workers with family responsibilities.

CHAIR—Like what?

Dr Charlesworth—Currently the Sex Discrimination Act only makes dismissal on the grounds of family responsibilities illegal, and that is only in respect of direct discrimination. I think that provision should be widened so that family responsibilities become a ground under that legislation, as with sex or marital status. That is very important.

The fourth area—and this is an area of particular research interest for my colleague Jenny and me—is looking long and hard at the quality of part-time work we have in Australia. In Australia, compared to lots of OECD countries, I think 45 per cent of women in paid employment are currently in part-time work. A lot of our part-time work is short hours part-time work. There are indications that women would prefer to be working longer hours—more than that 12 to 15 hours a week. That is necessary for a number of reasons, not least income. It also allows you to be more engaged within the workplace and, hopefully, lessens the risk of your being marginalised because you are only at work one or two days a week. That is my wish list.

CHAIR—Have you done any work at all on women employers?

Dr Charlesworth—No.

CHAIR—Any reason why not? They are important, aren't they?

Dr Charlesworth—Yes. My work has been concentrated on women employees, so I am interested in the employment relationship and how that works for women. I am doing a study, actually, at the Equal Opportunity Commission in Victoria looking at work-family discrimination complaints. It is interesting here that the definition of employment is wide enough to incorporate a number of own-account workers. I am certainly looking at those individual cases because for lots of women—for example, family day care workers here in Victoria—their employment arrangements are such that they are not seen as employees but rather as contract workers even though they are essentially working for local government and providing child-care services. To that extent I have looked at women who are technically not employers but are self-employed.

CHAIR—We heard evidence earlier today that, when you are looking at so-called entitlements and rights, you have to look at the capacity to pay. Have you done any of that?

Dr Charlesworth—We have certainly looked at that. This is part of the argument that the government has to look at providing incentives for employers. To take the example of maternity leave, I think the beauty of the Human Rights and Equal Opportunity Commission proposal is that this maternity leave would not require employers to meet the costs. There are some basic provisions that government ought to be providing, but there are other ways of providing incentives. For example, in the UK with their statutory paid maternity leave, when you go on maternity leave your statutory leave is paid through your employer. If you are a small employer you are reimbursed by the government for 103 per cent of the cost, which recognises that as a small employer there is a cost in the associated paperwork et cetera. Large employers are compensated with, I think, 97 per cent. So there are ways that governments are able to intervene to smooth the costs and make it easier for employers.

CHAIR—There does not appear to be anything in your submission about tax.

Dr Charlesworth—No. We addressed just the second of your terms of reference. We did not address the taxation issue.

CHAIR—So you have not thought at all about salary or wage sacrifice as a mechanism of allowing child-care fees to be paid?

Dr Charlesworth—I was talking about the work and family needs study earlier. When I did that in the late 1980s we looked at salary sacrifice arrangements. Unfortunately the taxation department has made a ruling which has taken the capacity of employers to do this away from them. They used to be able, through salary sacrifice and also through the employers paying a small amount, to maintain child-care places in child-care centres. It was an option rather than having on-site child care. They did that through salary sacrifice and also through, as I said, the employer paying a small retainer—

CHAIR—They have changed that now—you were not here this morning for the ANZ submission—where they become the leaseholder. They can, in fact, salary sacrifice with an FBT exemption.

Mrs IRWIN—I am not sure if Dr Chalmers wanted to make an opening statement.

Dr Chalmers—If you want to continue questioning Sara, then I can make my—

Mrs IRWIN—It would be good if we can hear from Jenny.

Dr Chalmers—Okay; thanks. I am going to present some findings of some research. I have got some handouts.

CHAIR—Is it the wish of the committee that the handout be accepted as an exhibit? There being no objection, it is so ordered.

Dr Chalmers—I will introduce myself. I am an economist by training and I am currently working at the Centre for Applied Social Research with Sara and others. My research focuses on gender issues in social policy, particularly on the relationship between families and the labour market. Previously I worked with the Social Policy Research Centre at the University of New South Wales for eight years. There I spent a great deal of my time undertaking contract research for the Department of Family and Community Services, specialising in the analysis of transitions between income support receipt and the paid labour market. For example, I have done some research into the experiences of sole parent pensioners who have re-entered the paid work force and also the experiences of older workers approaching retirement.

I was also part of a team that prepared Australia's country note for an OECD project on policies that help to reconcile work and family life. This led to the OECD publication *Babies and Bosses*. Currently I am working with CASR colleagues on a project to assess the quality of part-time work in Australia, which Sara talked about. A driving force for undertaking this research is that part-time work for mothers is often put forward as a solution to the problems of balancing paid work and caring responsibilities. We recently published a paper in *Labour and Industry*, in which we set out the dimensions of a part-time job that we think are important in assessing its quality in terms of its ability to assist in balancing work and family. There we

thought more broadly about the role of part-time work—that it needs to be quality work for both parents, father and mothers. I do not intend to go into those dimensions in detail. Rather, I would like to focus on an important aspect of equality, which I have just done research into with Trish Hill from the Social Policy Research Centre.

Part-time work that enables women to maintain attachment to their career and acquire new skills and expertise and that accordingly is rewarded through their salaries is integral to a family friendly society. Economists believe that career advancement can be measured in terms of earnings growth and that a worker's earnings reflects their productivity. Economists also believe, and empirical analysis shows, that each year in the paid work force adds to productivity through training and that your work experience and is rewarded by a pay increase. It would seem perfectly sensible that part-time work should do the same thing. Because a part-time worker spends less time at work than a full-time worker, you would probably expect their earnings growth to be proportional to the time they have spent at work.

However, recent British research found that, rather than contributing to career advancement, each year of part-time work experience is associated with a slight reduction in earnings. Today I would like to present the findings from the first attempt to undertake that sort of research in Australia. On page 10 of the overheads I have just given you, you will see our findings from our analysis using the 'Negotiating the Lifecourse' data set, which the ANU has. The graph I am showing you represents the impact of working part time relative to continuing in full-time employment and leaving the work force. Each of the lines represents one of three options for a woman when she has a child. Starting from a base full-time salary of \$671 per week—which is the average for this group of women—the top line shows what would happen to the woman's full-time salary from year to year. Her weekly earnings increase each year but, if instead the woman works part time, the middle line shows you what her full-time salary would be after returning to full-time work after working for one, two or three years on a part-time basis. There is barely any growth in the full-time wage, illustrating that part-time employment contributes little, if anything, to career advancement. Not only do part-time workers earn less than full-time workers but they do not advance their careers at all.

The bottom line of the graph shows the impact of leaving the work force on the wage that a woman would expect to receive on her return to full-time work. You will see that the re-entry full-time wage is actually lower than the exit full-time wage. So, after five years, a mother who continues in her full-time job has a weekly wage rate that is 20 per cent higher than what she would have received if she had taken time out and worked part time. It is more than 40 per cent higher than what she would receive if she had stayed out of the labour market and then come back into her full-time position.

Why is this happening? We know that part-time workers do not get the training that they should. Data shows us that. But what is more important are the structural constraints on women who want to convert a job they have held on a full-time basis to part-time hours and then return back to full-time hours. Again, UK research found that women who want to work part time often have to change employers and/or their occupation and that there is downward mobility associated with a move from full-time to part-time hours.

Unlike the UK, part-time jobs in the Australian labour market are actually segregated. Most of the part-time jobs are in the retail and hospitality services sector. The clear message from this

analysis is that, for part-time work to become a serious option for managing work-family balance for both mothers and fathers, there needs to be better access to training and career progression, and a legislated right for workers to move between full-time, part-time and zero hours in the same job. In recent years the UK introduced a right to request part-time hours. In the current industrial relations environment, where we are removing rather than reinforcing and establishing rights, I do not envisage that the right to request part-time hours will be on the agenda sometime soon and, indeed, increased reliance on workers to bargain individually for that right is a backward step.

The UK research that showed the experience of mothers when they are trying to work part time was undertaken by the British Household Panel Survey. Australia has recently established a panel data set—the HILDA data—which is funded by the Commonwealth government, through the Department of Family and Community Services. I stress the importance of continuing this data collection so that we can observe what happens to women with the industrial relations changes.

Mrs IRWIN—Regarding pages 18 and 19 of the handout that you have just given us entitled ‘Possible explanations’ and ‘Findings and implications’, how can these problems be addressed by governments? What changes would you like to see governments make?

Dr Chalmers—I have suggested that we have something similar to what the UK government has just introduced: the right to request part-time hours in the same job so that women are not forced to leave the full-time job that they have established to find some sort of work where they can work part-time hours. Even if women are staying with the same employer, the suggestion is that with part-time hours they are not working at the same level they would have been when they were doing the full-time job.

CHAIR—But they are not doing a full-time job, so how can it be the same?

Dr Chalmers—They are not working the same hours, but they are actually moved off-line, so to speak, so that the responsibilities that they have are not at the same level as they would have been when they were working full time.

CHAIR—What about the people who are working full time? Is that fair to them?

Dr Chalmers—For what?

CHAIR—That someone working full time for additional hours and putting in a full day should be treated exactly the same as someone who is only there part time.

Dr Chalmers—We are not suggesting that they be treated exactly the same. If you are working part time for half the number of hours that a full-timer is working, we are suggesting that you have half the responsibilities that a full-timer would have but that you do not get pushed offline and out of a career enhancing job.

CHAIR—But that is predicated on the job being capable of that—and not all jobs are.

Dr Chalmers—I am not sure that there are jobs that are not capable of that.

CHAIR—Really?

Dr Chalmers—I think there are ways to work around what perhaps seems like a structural constraint on things. If work is constructed in a way that you have to be childless or not have any family responsibilities to do the job, is that a family friendly society? If all jobs are constructed in that way, if your boss can come down at 5 o'clock and say, 'We need you to work till 10 o'clock tonight to finish this particular piece of work—

CHAIR—Take a fireman. Fires do not happen nine to five Mondays to Fridays. Fires happen whenever, they are called out and they have to do the job. It is the same with the police, nurses, doctors—a whole lot of people.

Dr Chalmers—They have shifts.

CHAIR—Some may, some may not. You are going to have some people who are going to be pulled out anyway.

Dr Chalmers—That is not normally the case. In those situations you work on a shift on a particular basis. In those situations that you are introducing you may work one day for the same length of time as a full-timer is working, or two days that week—you just do not work the other three days.

CHAIR—Have you looked at it from the point of view of employers, the productivity of the nation and the creation of jobs? In order that people shall be in jobs, someone has to go out and risk capital to create them.

Dr Chalmers—What you see from the evidence that I am presenting is that there is an enormous amount of lost productivity. Women are advancing their careers to a certain level and then they are kind of thrown out and that productivity is lost—they get to a certain level of expertise and then they cannot maintain the job that they had.

CHAIR—So you look at ways in which they can maintain that. We have made a lot of investment in women's education, haven't we?

Dr Chalmers—Exactly.

CHAIR—We have spent a lot of money doing that.

Dr Chalmers—And employers invest in getting them—

CHAIR—Absolutely, and the nation needs a return on that investment. So if you are looking at someone who wants to return to the work force, and they want to carry out their job in the way that they have hitherto, don't we have to look at ways in which we can enable that to happen rather than saying that that person has to go back to part-time work and we have to find some way of paying them on the basis that they are pretending to be full time?

Dr Chalmers—If you are saying that they should go back to full-time hours and we should have publicly provided child care, I would not see the problem.

CHAIR—I am not talking about publicly provided child care. I would personally like to see it able to be arranged in your own home in a way that suits you, your family and your circumstances. I would like that flexibility, which we do not have. At the moment, if you want to have aged care, you can have it in your own home; if you want child care, you can only have it in an institution.

Dr Chalmers—There should be choice for the women—is that what you are saying?

CHAIR—Yes.

Dr Chalmers—I would not disagree with that.

Ms KATE ELLIS—Thank you for bringing this evidence along today. When we were in Sydney we had a personal account of a young professional mother who desperately wanted to get back into the work force but was dealing with these issues first-hand. It is nice to have both sides of the same proposal. One of her concerns was on the matter of career advancement even if she did find a part-time job that was up to her qualifications. Even the moves that they have made in the UK, where people have a right to request part-time hours, do not address the issue of how we value that part-time position once they get it or whether they still have access to career advancement which they would be missing out on otherwise. Have you seen any ways that that was been addressed in other nations or had any suggestions on how we might want to look at that?

Dr Charlesworth—I will start with an Australian example. This project we are doing at Victoria Police is very interesting because the challenge there has been that you can attract women to the police but it is difficult to retain them. While part-time work has been in place, it has been the practice that, if you are a police officer and you go part time, you used to be whacked off operational duties and put behind a desk. Quite frankly, in terms of a police career, that is a death knell. We are there looking at ways in which we can have part-time work more integrated. A lot of it goes back to what Jenny was saying about shiftwork. It is very interesting to me as someone who has studied hospitals, for example, and had a look at how they have grappled with shiftwork. Hollywood Private Hospital in WA, which has won a number of awards—

CHAIR—Is it privately owned?

Dr Charlesworth—It is privately owned and an absolutely wonderful model of employee-choice rostering; they realise they need registered nurses. The ways in which they have organised their shifts have allowed people to work part-time. When people think about offering part-time work or employee-choice rostering, I think they have the notion that everyone will want it; it will be impossible. That is not how it works out. In fact, most employees are extremely sensible; they know that you need a certain skill set—if you are in an orthopaedic ward post-operatively, there is a certain nursing skill set you need. So they will work out, together with the roster coordinator, how to organise this. You will have, if you like, almost overlapping shifts. It is not the conventional three eight-hour shifts cut in half, or maybe someone, as Jenny was suggesting, just working two days, but it is ways in which the hospital can meet peak demands and also deal with the troughs, through the employee-choice rostering

system. It is possible to do that, and there are ways in which they have had to organise their in-house training to meet that, because that is really a challenge.

This is also a challenge that police are facing, but we have, in the course of this project, which is ongoing for another year, come across a few really good case study examples, particularly in child abuse and sex abuse units where there are typically a lot of police women working part time. The big issue is continuity: if people are working part time, how do you, when you are working with active files—there are obviously very distressed people involved in these cases—keep that contact with the public and the victims of the crimes et cetera? They have looked at quite innovative ways of case management that are now informing the practice of just full-time policing, so there are ways around it.

In terms of what is happening elsewhere, in Sweden, for example, you have the right to work in your same job at reduced hours. That certainly exists and I think it is until the child is seven or even eight; it is for quite a long time. Part-time work needs to be seen also in the context of full-time work. In a lot of the European countries, you are seeing—unlike in Australia, where we have lots of women working short part-time hours and lots of men working very long overtime hours; there is real polarisation which makes, if you think about it, balancing work and family very difficult—a trend, and Denmark is a prime example, where overall hours of full-time work are decreasing slowly to around 35—you should be aware that in France that was legislated—and part-time hours are increasing. The reality is that it is very difficult to maintain a career if you are working five hours a week, but if you are working what the Europeans call substantial hours—20 to 25 hours a week—that becomes possible, and also effective for employers in terms of providing training et cetera.

Ms KATE ELLIS—It seems that, whilst there are, thankfully, some really good employers out there who are coming up with these innovative ways of looking at it, we are relying on employers taking up that responsibility and looking at it. The case that was being put to us was: if we are looking at how to get more women into the work force then we need to look at making sure that those women that enter the work force on a part-time basis are feeling fulfilled and are satisfying their own needs in employment. I think the tricky thing is how we actually instigate any sort of cultural change about work hours; how do we do this? It would be interesting to have a look at that on that basic.

Dr Charlesworth—Cultural change, though, is driven by the context. I spend a lot of time within organisations and, let me tell you, what is happening—political debates, like the work-family debate et cetera—can work to change cultures. There is some evidence in the UK that the right to request legislation is increasing that sense of entitlement. Employers, too, while they were predicting the sky was going to fall in initially when the legislation was mooted, are generally very happy with it. It has been seen to drive that kind of cultural change that supports the family friendly workplace.

Mr QUICK—Is the family friendly concept stymieing the debate? For example, we heard evidence today from ANZ that it is not so much what is ‘family friendly’ as what benefits the individual employee. This is in relationship to how they sort their family out, and whether their partner—in his or her workplace—has a family friendly environment, so that, between the two of them, in conjunction with child care and a whole lot of other issues, they can stabilise the family to maximise their lifestyle. Is there evidence to show that, despite these glib phrases

about family friendly benefits in workplaces, it is really about an employer dealing with individuals? Does it depend on who you work for or where you are situated, and whether there are services that you can avail yourself of—for instance, there might be better services in the CBD than in rural and remote areas? It seems that there is a bit of reluctance on the part of large-scale employers who are saying it is all too hard.

Dr Charlesworth—I certainly think that is the case. The system we have in Australia basically relies on the voluntary initiatives of employers and, as I think you point out, one of the real downsides of that is that it is often a grace-and-favour arrangement. Sometimes it is dependent on the individual discretion of your particular line manager, and someone else in another work area might be able to access things that you cannot. What we drew out in the fuller report was that this is why we need a platform of minimum standards. Individual workplaces can build on those to meet the particular needs of their employees, but you have basic rights—such as a right to quality part-time work—set down, and round minimum entitlements to predictability of hours, regular schedules et cetera.

Mr QUICK—But we have a situation at the moment where we have doctors choosing to set up their own family friendly service delivery to patients. That means that in some areas there isn't continuity of what used to be the traditional GP relationship with the patient. Doctors, especially women who are increasing in numbers in the GP work force, are deciding, 'We're only going to work three days a week.' They are deciding for themselves. Yet we have teachers, providing another vital service, for whom it depends on which principal, or which regional superintendent, they get. It is decided for them and they have no real choice in the matter. And now with individual schools setting individual contracts, if you are lucky enough to get a good principal you are laughing, but if not you are working—as we heard today—ridiculous hours, and your family is suffering.

So how do we get something consistent, independent of where you live? For instance, I come from Tasmania and there are different needs there, compared to what is happening in the CBD in Melbourne. Legislation, to my mind, is not the way to do it. We have heard from the ANZ. Hopefully all the rest of the banks will copy it, because it seems to be making sense and you have a far better retention rate and there is less cost to the ANZ than there is to Westpac, the NAB and the Commonwealth.

Dr Charlesworth—I think legislation is a very important part of the answer, but I agree it is not the only thing that is needed. Legislation works in a practical sense in that it protects people or underpins rights. But it also works in a symbolic sense, in that it says to both employers and employees: 'There are some baselines to the employment relationship.' On top of that, the kinds of things that you are talking about, for example with the female doctors, are clearly to do with the labour force skills shortage issue. This will have something to do with the universities, who place strict caps on the number of medical students that they are prepared to have each year. There are other parts of the jigsaw that are going to feed into that. I do want to reiterate that legislative minimum standards are absolutely crucial. But they are, I agree absolutely, not the only solution.

Mr QUICK—But there seems to be a bit of a tendency to focus on those first rather than on the others first. Take the example you used of the hospital: they had no trouble getting RNs and ENs because they have an innovative way, yet I can cite dozens of nursing homes which are

absolutely scratching for nurses and giving a base level of service because they are still in the traditional mould. I am interested in institutions, particularly teaching ones. With those there is an expectation you go in, do your four-year degree and go out and work full time. But has the mindset of those training institutions changed so that people can go in and say, 'I'll get my four-year degree but I only want to work part time because I want to support my family and have a family friendly lifestyle,' Do the minister for education and the training institution have to change their mindset? Are they still back in the sixties and seventies and all that happened then?

Dr Charlesworth—I do not know enough about educational training as a particular area but I would suggest that they probably do. That is our fundamental argument: we are aware of all of these changes in society, workplaces and families but our institutions—not just our industrial relations institutions but our educational institutions too—certainly have not caught up with them.

CHAIR—You have got the imbalance, haven't you, that schools go from nine till three and parents work from nine till five. Nine to three is well and truly established so we have to work with that as a given.

Dr Charlesworth—Yes.

Ms GEORGE—This morning we heard from the ANZ Banking Group of an example of a quite progressive, family friendly policy—in theory. I presume it is working well in practice if you look at the retention rates post maternity leave. However, the impression I have got from reading and anecdotally is that the spread of family friendly provisions is much slower than one would think. There is a lot said about family friendly workplaces but I think they exist only in a small minority of cases. I am thinking about, say, the women on the process line of a cannery. What is happening as to the spread of those provisions? What are the most common provisions that have spread across the board? In the event of further deregulation of the labour market, would it be possible that we are going to see a more systemic division between those at the top end—who are in highly skilled white-collar public sector employment and who will over time avail themselves of these benefits—and the bulk of women, either in casual or part-time or blue collar occupations, who will not have access to these benefits? If that might be the case, what is the role of government in ensuring that the community as a whole is able to access basic entitlements to make that balance more achievable and feasible?

Dr Charlesworth—I do not have data here on the sectoral spread of family friendly benefits. One of the problems—and I think a couple of the committee members have picked this up—is: what is family friendly? The Commonwealth government would have you believe that anything that is about changing start and finish times is of itself family friendly, just like the point we were making about part-time work being hailed as a family friendly provision. We think you need to look much more carefully at what family friendly provisions are. Flexible start and finish times can be an issue.

I have just been looking at some cases at the Human Rights and Equal Opportunity Commission—and these are just complaints, they have not gone to hearing—where people have individually been able to negotiate certain hours. Sometimes it is starting a shift slightly later or earlier, in order to fit in with caring responsibilities, but the ownership of the factory changes and the new owner says, 'No, I have all my workers here from eight till four—that is the way we

do business here,' and these people are not able to work anymore. I think that people, particularly those in blue-collar jobs, can be incredibly vulnerable and we tend to forget that family friendly arrangements can often be very tenuous. The fact is that, even if you have been able to negotiate something that will suit you, you might not necessarily be able to expect that you will continue to have that because your manager or boss changes and it disappears.

Going to your issue about what are basic entitlements that people in the more blue-collar jobs have, you have to look at the manufacturing industry where people tend to have more permanent contracts. I have recently done a study. A lot of people, of course, will have access to carers leave if they are permanent. There is some indication that people are using that. It is really just a part of your sick leave entitlement, but it is important for people to be able to use that. Autoliv here in Victoria is quite unusual and an example of best practice in the manufacturing area. It is an automotive parts manufacturer that has introduced not only paid maternity leave but has also allowed people on the line to work part time. This is something that people said could not be done. It is an example that you can. But it is extremely rare to the extent that we all cite Autoliv when anyone asks us about a good employer. It has won every award that it is possible to win. That is not very common. Basically if you are in an area where you have some permanency to your job then you do get those base entitlements at the moment like carers leave, which is absolutely critical for dealing with those kinds of unpredictable pressures that we spoke about.

In the service sector, though, where most of the jobs are casualised, people do not have access to carers leave, let alone their own sick leave or annual leave to provide any flexibility. At the Equal Opportunity Commission I have also come across a number of cases where women, once they have come back to work after having taken time off to have children, have been rostered down to very few hours or in some cases zero hours. They are not officially sacked but they just do not get hours for a few weeks at a time. That makes work and family absolutely impossible and brings in another of your terms of reference—the intersection with the welfare system. Our welfare system is not built for people who yo-yo in and out of paid employment to get some kind of entitlement. That really is a very serious problem.

We really have to come to grips with casualisation in Australia, particularly for those workers, a lot of whom are women, in the service sector. We have to make sure, given that we have so many casual workers, that we do something about providing some basic rights. We are told that women like casual work because it gives them flexibility, but the real irony is that you go casual and you miss out on the very things that you need to balance work and family—like carers leave, annual leave et cetera.

CHAIR—But that is what casual work is. I like the point you made about the need to look at the work-welfare interface.

Dr Charlesworth—That is absolutely critical.

CHAIR—We are going to look at the Institute of Family Studies third chapter in some detail. We will look at that.

Dr Charlesworth—I know that the HREOC inquiry is looking at that, too, and I suppose some of your work will be overlapping.

Ms GEORGE—I would like some more information from Dr Chalmers about the UK legislation. Has there been any review of its operation or is it too early?

Dr Chalmers—It has only been in for two or three years.

Dr Charlesworth—It has been 2½ or three years. It has been so successful that the government has just extended it. It was originally introduced to cover employees who had children up to the age of six or disabled children up to the age of 18. It gave you a right to request, and your employer had a duty to seriously consider. There were some outs. Quite clearly, if your job was as a sandwich hand, you were not going to be able to have lunchtime off—that is ridiculous. It has been found to have been incredibly successful and has now been extended to include caring responsibilities. So if you have primary caring responsibilities you are going to be able to access this legislation.

I suppose there has been four reviews in all. Two government reviews have looked at the impact of the legislation, the Institute of Chartered Accountants in the UK has looked at it and a loose employer alliance I think called Employers for Work-life Balance have also done a study. Most of these are available on the Department of Trade and Industry web site. They have a work-family balance web site and they provide very useful research. This is the Department of Trade and Industry in the UK. The web site is www.dti.gov.uk.

CHAIR—Perhaps we could do that. Thank you both for coming and presenting a differing point of view, which we appreciate. I take it that if we need to come back to you for anything we may do so?

Dr Charlesworth—Yes, indeed.

[3.11 pm]

BURKE, Dr Susan, Research Officer, Social Issues, Australian Psychological Society

LITTLEFIELD, Professor Lyn, Executive Director, Australian Psychological Society

Witnesses were then sworn or affirmed—

DEPUTY CHAIR (Mrs Irwin)—Welcome. Do you wish to make an introductory statement before we proceed to questions?

Prof. Littlefield—Yes, thank you. I have given copies of my opening statement to be distributed. We would like to thank you for the opportunity to appear as witnesses in this important inquiry. The Australian Psychological Society sees the issue of balancing work and family as central to personal and community wellbeing and recognises that it is a key factor in influencing Australia's fertility rate. From the available research, it is clear that the decision to start a family or have subsequent children is impacted on by an array of factors. There is no simple relationship between any one factor and fertility decisions. Indeed, fertility decision making is a combination of circumstances and choice.

Helping families to better balance their work and family responsibilities and to provide incentives for starting families requires an all-of-government approach over an extended period of time so that families can flourish and so that people's perceptions, attitudes and beliefs that currently limit fertility choices can change. Obviously better financial support is an essential component of this in the form of, for example, paid maternity leave and taxation relief to account for the cost of children and decreased health and lifetime education costs.

It is clear from the research, however, that single policy initiatives and entitlements do not directly influence the decisions made about fertility but do form the landscape in which men and women negotiate their choices about families, work and life. For more people to decide to have children or for families to decide to have subsequent children, they need to be able to achieve a balance between what is in the best interests of the child, their own needs, family needs and work needs. Not only is this important as a way of encouraging people to have children but it is essential to ensure the optimal psychological health and wellbeing of children and families.

In thinking about ways to increase incentives to start or expand families, we have drawn up a model of the factors impacting on fertility decisions and have examined, in particular, three preconditions that emerge from the research as critical in fertility decision making—and I believe that the model has been handed around. Delays in starting families are mainly caused by the need to meet the preconditions. These are, firstly, the previous of a secure, stable and adequate relationship; secondly, having a sufficient income base or secure, stable and adequate income; and, thirdly, the perception that one can adequately balance individual needs with child and family needs. Many of these factors also have an impact on decisions to have subsequent children. According to McDonald, future trends in Australia's total fertility rate will be strongly affected by the proportions of women who have more than two children. According to the report Families, Fertility and the Future, almost half of first pregnancies were unplanned. Policy

initiatives, therefore, may be more central in women's choices to move from having one child to more children.

By referring to the diagrammatic representation of the multiple factors impacting on people's decision to have children plus understanding that no single factor stands out in the research as having a direct relationship with fertility choices, it is easy to see how solutions also need to be multilayered. I am sure that a great deal of information about various strategies for supporting families has already been presented in this inquiry, and a combination of these will maximise the chances of Australians addressing the issue of low fertility. Obviously, a coordinated approach from government involving multiple departments is required. Policies providing better support for families at all stages—from paid maternity leave, taxation relief and affordable and easily accessible child care to long-term government support for health and education costs and services as well as industrial relations policy—are essential in encouraging people to have children and, importantly, in changing their attitudes towards the government and its perceived commitment to genuinely supporting families.

However, as psychologists, we want to use this opportunity to emphasise a few of the strategies that we see as making a positive contribution to improving the work-family balance and increasing fertility rates and which are grounded in psychological research and evidence. Most of these strategies are intended also to facilitate improvements in the status of parents and changes in attitudes towards having children and having larger families. As the Australian Psychological Society, our presentation, recommendations and points are psychological more than economic. We recommend, firstly, promoting relationship preparation courses; policies designed to provide relationship preparation courses could address the community's increasing lack of confidence and skills to form lasting secure relationships that could nurture children. Secondly, we say that the provision of parenting courses in the community would increase the confidence of couples who maybe wavering about a decision to have children. There should be greater access to parenting courses to better equip families to raise children, thus reducing stresses involved in parenting children and enabling parents to more easily meet personal expectations of how they wish to raise their children. I think the parenting centres announced over the weekend are an opportunity to do both of those things.

Our third recommendation is to encourage active development of skills during absence from the work force—for example, financial assistance, development of the capacity of educational institutions and organisations to meet the needs of mature age students with families, increased availability of part-time courses, study options that recognise prior learning for women wishing to update skills rather than to repeat an entire course and flexible child-care options in educational institutions. Our fourth recommendation is to encourage family friendly workplace policy to enable mothers who choose to work to do so—for example, flexible start and finish times, access to a telephone for family reasons, availability of permanent part-time employment and availability of various ways in which time off from work can be taken to care for a sick family member. Family friendly workplace policies help to institute the conditions under which men and women can participate in paid employment and have the number of children that they say they want to have. We recommend, finally, media campaigns aimed at, for example, improving the status of child-caring women and men, encouraging people to have larger families and educating people about the problems associated with a declining fertility rate.

ACTING CHAIR—Thank you very much. I gather that was a joint statement from the two of you. On page 6 of your submission you mention:

Family-friendly workplace policy including flexible hours and arrangements such as leave buy-back to allow parents to spend time with children in the school holidays ...

Can you explain the benefits of a leave buy-back scheme and how it might work?

Dr Burke—There are a number of schemes in workplaces. For example, Relationships Australia used to do this. Parents were able to work a shortened year which enabled them to have more holidays in the time that school children were having school holidays. They received reduced income as a consequence, but it had the flexibility for them not to have to find child care for the length of the school holidays. That is an example of a family-friendly policy which would enable parents to go to part-time or full-time work and still cope with lengthy school holidays, which are always much longer than the four weeks paid leave that most workplaces provide.

ACTING CHAIR—The concept of 48-52 was also brought up earlier. You recommended that the government could better support the maintenance and development of women's skills while out of the work force. What proposals do you have to achieve this?

Prof. Littlefield—If educational institutions at all sorts of levels were able to have courses in the hours that women were able to attend and if those courses were either very cheap or subsidised in some way, that is one way that could facilitate upgrading of skills.

Dr Burke—It would also be facilitated by better child-care facilities at educational institutions so that a person would be able to attend with a child in tow and have a child cared for there.

Mr QUICK—There are thousands of women going out of the work force to do their child rearing who want to get back into the work force again. Each of them individually has to somehow find courses. You mentioned using the media. Rather than a woman in Hampton getting in touch with RMIT about doing a course and then someone down in Geelong doing the same sort of thing, how do we enable people to access back-to-work or part-time courses rather than everybody reinventing the wheel? For example, we have heard from some women who wanted to get back into the work force. They did some part-time courses, then they wanted to go to TAFE. They come from a low socioeconomic area. There was not the flexibility for TAFE to say, 'Because we're a state institution, we'll talk to the Commonwealth government about having them fund the course,' because the women could not afford the \$150 for the fees to do the next TAFE course to enable them to get back into the work force. How do we get a whole-of-government approach? We not only have silo mentalities in the states, we have the same silos in the Commonwealth, and yet we are talking about 'family friendly'. Then there is the role of the local government agencies who ought to be doing something to maintain a happy work force in, for example, the Geelong area, the Mallee or wherever. How do we get that whole-of-government approach so that there is a one-stop shop, so if you want to get back into the work force and do some retraining it is not a minefield that turns you off and you say, 'Oh, well. Blow it. I'll be a part-time worker.'

Prof. Littlefield—It is very difficult. It would be nice if there was a one-stop shop from which people could get information about where to go. Community health is one area that some women do go to when they are in their early years of raising children to get lots of advice about lots of local courses and TAFE courses that they can do, but again the fees are sometimes prohibitive. In relation to the media, there is also the option of distance education—having education in homes—as one part of this. But I do agree that it is a very difficult thing to tackle.

Dr Burke—It is also going to be different for every woman.

Mr QUICK—That is right.

Dr Burke—That is going to be the reality, yet women who have been out of the work force after having had children and who want to re-enter the work force at a satisfactory level both personally and financially face huge problems. It was addressed by the previous speakers as well.

Mr QUICK—But are the learning institutions and the training institutions really geared up? Aren't they focused on people who want to get degrees and diplomas and get into full-time work rather than on some fringe options? They make their money from overseas students, fee paying university people and the like. These courses for women who want to get back in and do some training appear to be almost mickey mouse courses. They do not appear to be fair dinkum as they are not going to make money for the training institution—around that periphery—and most institutions are scraping for a dollar to remain viable. It is a bit of TAFE, a bit of university and a bit of diploma. It seems that it is all bits and pieces and that we are not really serious about it.

Prof. Littlefield—I do not know that all women would be looking for formal courses. For instance, if you are out of the work force for a while then your IT skills may need to be updated. There are places like the Council of Adult Education. In the area in which I live, there are Living and Learning Centres where 60 courses go on all the time. A lot of them are absolutely free and there is—

Mr QUICK—But do they provide child care?

Prof. Littlefield—They have child minding attached. They are also attached to the local community health centre. They are cheap options and they have good courses. A lot of women do not want to go back and do another formal degree; they just want to upskill so that they keep abreast of whatever it is or learn some new skills to get into a different part of the work force.

Mr QUICK—When these women decide to get back into the work force, should we give them some Centrelink benefit and say, 'Here's a voucher for \$500 to enable you to pick the eyes out of the courses that are relevant to you so that you can get back into the work force after having been out for two or three years?'

Prof. Littlefield—I think that is a fantastic idea. The other thing is that doing such courses does a lot for their self-confidence and self-esteem. One thing that women do find if they have been out of the work force for a while and the work force has moved on is that it is quite difficult for them to feel confident that they will fit back into the work force and be skilled enough to take their place in it. So it has a lot of benefits.

Dr Burke—That in itself can be a disincentive for being too long out of the work force—that is, staying at home to have many children if you perceive that it is going to be increasingly difficult to get back in because your confidence has been eroded as the workplace has changed. Another comment that you made about courses being perceived as mickey mouse courses is also a really important point. I think we require a cultural shift and an attitudinal shift to how we view women going back to study so that they can re-enter the work force at a more suitable level. With a number of these changes, we really require a profound attitudinal shift in the way in which Australians look at women, parenting issues and the work-family balance. That is why we had this idea that media campaigns might be another way in which we can start to address some of these attitudinal shifts that are required.

Mr FAWCETT—I have two questions for you. The first one relates to a couple of the bullet points in your handout where you talk about preparation for marriage courses and parenting courses. It is a wonderful idea. I have worked in that sector for a little while. One of the things that I am very cognisant of is that many people see absolutely no point in these courses—that is, until they have done them and recognise their value. In fact some people are quite offended by the concept that perhaps they may benefit from some help with parenting and relationship skills. How would you propose that we encourage a greater take-up of this kind of training? If, indeed, through the family relationship centres or other sources we fund people and have resources, materials, counsellors and educators ready to give the training, how do we encourage the take-up?

Prof. Littlefield—I agree that it is incredibly difficult pre marriage, when everyone feels they are really happy and asks, ‘Why should I do it?’ I also agree with you that the research data shows that, if you do attend those courses, your communication skills, satisfaction with your partner et cetera improve. The chances of getting people there are increased when a relationship tends to fall into some difficulty, and there is a good track record of these courses actually providing enormous benefit. I think you have got more chance then. Holding them at places that are not stigmatising is another good way to go. Pre marriage, I am not quite sure where that would be, but it could even be places attached to schools—or even preschool and child-care centres, particularly for parenting courses. People just take them up like mad because in those early years they are very keen to do the best they can for their children and quite often are looking to maximise their child’s development. If parenting courses were offered in conjunction, along the spectrum from maternal and child health and welfare through child care, preschool and even on school entry, I believe you would have enormous take-up of those courses.

Mr QUICK—On that: this committee is holding an inquiry into overseas adoption, and it is interesting that the same department that would probably run these courses virtually puts families who want to adopt children through the wringer. We heard evidence in Brisbane of having to fill out a 270-page workbook and get two referees to go through your religion, your finances, the stability of your marriage and the like before they give you permission to adopt a child from overseas. Yet the same department is not at the forefront of doing some of these things, which seems crazy to me.

Prof. Littlefield—If I could just say a little more on that, I have actually worked in a system like that where we put into place these parenting courses in conjunction with those agencies such that, when a family enrolled a child in preschool or in a school, it was part of the deal to come along to a parenting night. You met all the other parents from your class, so you were building

social support networks, and you were getting information on child development and on how to parent this kid in the transition into school. Once those connections are made, they go on. The research shows that social support networks like that, as well as that sort of information, actually do have an impact in reducing family breakdown.

Dr Burke—Another area where relationship preparation work can be done is in high schools. Part of the curriculum in a secondary school is learning about relationships and communication skills. This is not particularly targeted at the new couple but they are nonetheless useful skills to have.

Mr FAWCETT—You say in your diagram—we have seen this evidence provided by a number of other people through this inquiry—that one of the prerequisites of people feeling able to have children is being in a stable relationship. We have also seen evidence that, in relationships that are formed on the basis of cohabitation rather than marriage, there is a high and increasing rate of separation. The data shows that marriage—for all its faults and problems that people have to work through—is still the preferable long-term relationship basis. If that is good for the couple, is good for them having children and is ultimately the best place for the child to be raised, how do we as a society and as a government actually put marriage up there on a pedestal again and say, ‘This is something worth aspiring to,’ and encourage people to make—and reward them for making—the decision (a) to enter marriage and (b) to stick at it through the hard times to make the relationship last?

Prof. Littlefield—Interpreting the data as ‘cohabiting leading to more separation’, if you like, is a tricky one because there is quite a bit of evidence around that couples actually get married at the point where they have made the commitment and want to have children. So it is like a branch, in a way. The marriage branch is actually the ones that are committed and have made that decision. It is sort of biasing the data: you are getting the committed ones going into marriage.

I keep mentioning the media but I think the media has such a lot to do with what people value—such as the sorts of TV shows et cetera which show young people going off and doing wonderful things separately and which do not really show huge values in marriage. It is part of the pop culture. I think work needs to be done with that to show the values and benefits of marriage and of having children. It is all about changing the perceptions of the status of these institutions.

Dr Burke—It is about telling the stories of successful relationships and successful marriages through the most powerful influencer of our attitudes and values, which often comes through the television and through film.

Prof. Littlefield—Media has enormous impact on our culture.

CHAIR—But doesn’t media follow reality rather than the other way around?

Prof. Littlefield—I am not sure about that.

CHAIR—Once you have governments telling them what to do, it becomes propaganda.

Mr FAWCETT—What do we as legislators do to help reinstate that cultural value of marriage?

Dr Burke—Just following along that train of thought and looking at the influence of media, one thing that legislators or government can be doing is promoting and sponsoring film-makers who are making stories with an alternative value system to what we might currently be being fed.

Mr FAWCETT—*Spy Kids*.

Dr Burke—What is that?

Mr FAWCETT—If you haven't seen it, go and see it. It is a great film.

Dr Burke—I have not seen it, sorry.

Prof. Littlefield—Just not *Big Brother*, that is all—some alternative to it.

Dr Burke—That is just one idea.

CHAIR—There are three other alternatives on every night and people still watch it.

Ms GEORGE—What does that say about our society?

CHAIR—It says that that is what they want to watch.

Dr Burke—But they will also take the opportunity, as well. The opportunity is there so that is what they will watch. If it was not there then they would have to choose one of the other three.

CHAIR—Again, when government starts doing that it becomes propaganda and censorship.

Prof. Littlefield—Except, as Susie said, if it is done by sponsoring and by grants rather than government—

CHAIR—That is worse. How about the commercial dollar? We have a system with regard to our film-making where it is still stuck in that 1970 paradigm that says, 'We are developing Australian culture and you shall get the grant if you say the sorts of things we would like you to do,' instead of saying, 'Australians, what do you want to watch?' That is why we are not making any money at the box office, because people do not go and watch it.

Dr Burke—Maybe making money at the box office is only one mark of success. Surely it is only one mark of success.

CHAIR—No, that is the mark of a successful industry. If it is not making money at the box office it is a failure.

Dr Burke—What if it was supporting families or supporting people to have better relationships or something? That might be another mark of success. Currently our world is dominated by having to make financial success the mark of success.

CHAIR—No. If you want to have a program and you want to put it on film to show this is how nice families are, you say, ‘This is a government program to show you what good things come from having good families’. But you do not pretend that it is an entertainment where you are going to impose your views by subterfuge.

Dr Burke—I will just give you an example. Every second year, the Australian Psychological Society promotes books that have been written for teenagers that teach children how to resolve conflict. We award a prize to the book that wins. That book then has a little sticker on it that is then attractive to booksellers and libraries and is promoted in schools as being a book that teaches children wonderful values. That would be an example of a way of promoting the sorts of values that you wanting young people to be learning in a supportive and innovative way. I suppose that is an example of a system that might be useful for other forms of media.

CHAIR—I am sorry; David was asking a question.

Mr FAWCETT—That is fine. All I would say is that *Spy Kids* is a classic example. I only bring that up because my kids have watched it probably 50 times.

CHAIR—What is it?

Mr FAWCETT—It is a film sponsored, I believe, by some individuals in America who value the family. Basically it is a story about kids who are spies. It has been a huge commercial success. The whole underlying theme is about putting family and the value of family relationships and loyalty on a pedestal. It has had two sequels in the mainstream theatres here. Commercially it has been very successful.

CHAIR—That is terrific.

Mrs IRWIN—It might be an idea if we view that, Chair.

CHAIR—I will have a look at it.

Mrs IRWIN—We could ask Mr Fawcett’s children if they would assist us!

CHAIR—Let us go back to the fact that 63 per cent of children are born in marriage and the remainder in relationships outside of marriage but with one in 10 born where the mother has not cohabited with the father. With those statistics is there any evidence that children who stay at home longer, such as the kids who stay at home until they are 30 and the like, are more likely to go straight into a marriage relationship whereas children who leave home at an earlier age are likely to go into cohabitation which, on your evidence, will either lead to a commitment and marriage or a bust-up?

Dr Burke—I do not know.

Prof. Littlefield—I do not know of any evidence.

CHAIR—It would be interesting to know, wouldn't it?

Dr Burke—It would be interesting. If I were imagining that answer I would be thinking that, if a child was living at home with their parents until they were 30, they were enjoying being in a family so their inclination, I would have thought, would be to have a family; it is not as though their experience of family was disastrous and awful and the last thing they would want to do.

Prof. Littlefield—Often when children leave home part of the growing up process is to work out their own values and try new things. As they get older, particularly if they return home, they often do so only if they have some affiliation with the family values. We know they do it to save money—

Ms GEORGE—I am sure that is the No. 1 reason.

Prof. Littlefield—but, after having tried the outside world, they would not come back to a family with which they did not feel comfortable to live and which did not have similar values. I do not have your evidence, but I imagine that they would be the sort of children who would go on to have families because that is what they value.

Mr QUICK—Do you have any evidence about the impact of economic choice on women being in the work force because of the obscene mortgages that people have to pay in places like Melbourne and Sydney? What impact does that have on relationships? They take some of the hard times that employers give them because they have to meet a \$1,600, \$1,700 or \$2,300 a month mortgage. This economic component bears down on the relationship because they have to get into the work force. Have any studies been done?

Prof. Littlefield—I do not know about studies, but a lot of anecdotal evidence shows that the high value our society places on having a really decent home and all the material trappings of cars and whatever has certainly delayed people leaving the work force. They seem to want to have an absolutely secure income base or enough saved up to be able to have that. It has delayed women having children and leaving the work force to do so. There is lots of anecdotal evidence about that.

Mr QUICK—As the evidence says, one in two marriages basically folds and there is a divorce. Someone must be doing some research to say that there is an economic imperative to have all the glitz and the huge, two-storey house with everything that opens and shuts.

Dr Burke—Are you asking about the relationship between financial strain and relationship breakdown?

Mr QUICK—And trying to organise a family friendly workplace. There are lots of reasons for being in a job and you take whatever you can get because the mortgage is the first thing that comes out of the pay packet.

Dr Burke—The struggle for many families or parents to achieve a work-family balance has a personal toll on one's stress, but I do not know of studies showing a relationship between that

and marital breakdown. I daresay studies have been done. I could look that up; I do not have that before me.

Ms GEORGE—We need only to look at the data for the child support system to see how many people at the lower income levels are caught up in that system.

CHAIR—That came as quite an eye-opener for me. Do you have any evidence or have you looked at the question of the impact of our very much easier divorce laws? Are you seeing people entering into marriage or other relationships with the attitude, ‘Well, if it doesn’t work out, we can always give it the flick’?

Dr Burke—I do not know of any studies that have specifically looked at that issue, but I would guess that it has probably impacted in that it has made it easier for a woman to be able to support herself financially without being financially dependent on a partner. Of course that plays a part in a higher rate of divorce, which is a good thing, because the status of single parents is poor enough anyway. But to directly answer your question, I do not know.

Prof. Littlefield—After family law changed to allow divorce to be made easier there was certainly a huge jump in divorce rates. My clinical area includes child and family work, so I can give you plenty of clinical evidence of people saying, ‘We want to be in a relationship that is happy or we would rather get out.’ There is not that commitment, for commitment’s sake, in the long term, as a value of the culture anymore. I think it shows across a lot of areas, not just in personal relationship areas but also in the workplace. People are not loyal to a job or to a place anymore. Often, they come in at a young age and think, ‘I’ll be here for three to five years and that’s it; I’ll move on,’ and if something does not work out they leave. Those are the sorts of stories and the sort of culture of the younger generation these days. That is what you hear in clinical settings.

Mr FAWCETT—Dr Burke, you mentioned there not that we have provided any incentive to separate but we have provided the ability to think post separation how to survive; therefore, it becomes a more attractive option than perhaps it was in the past. Is there a role therefore, without diminishing that support, to provide additional incentive for those people who are prepared to work at the relationship to make it last?

Dr Burke—Certainly, it would be good to provide support for those people who would like to make it work. But I would be very wary about the first part of your question. My clinical background is in family violence and, for those women, or men, who are in an abusive relationship and need to leave, the more that we can do to facilitate that, the safer and better it is for them and their children. My opinion on the second part of your question would be yes and on the first part, no.

CHAIR—I want to ask a question which relates to the paper that you have written here, including the five points that you made on page 2: In particular, I liked this point:

Encourage active development of skills during absence from workforce (e.g. financial assistance, development of the capacity of educational institutions and organisations to meet the needs of mature-aged students with families, increased availability of part-time courses, study options that recognise prior learning for women wishing to update skills rather than repeat an entire course, and flexible child-care options in educational institutions).

It seems to me that in that particular paragraph you are addressing a whole lot of issues that are pretty important about staying up to date. We certainly heard evidence regarding technology and how quickly the workplace can change and in 12 months you can be out of touch.

Prof. Littlefield—That is right.

CHAIR—Yet TAFEs and the like are not geared up for that sort of thing. It is an area where I would like to see perhaps some models developed about what sorts of changes could be brought about. We are just introducing new federally run and funded technical colleges. Maybe there is a place in there somewhere for programs that we could be responsible for.

Prof. Littlefield—Also, I think the idea of recognised prior learning is really important and not having people rigidly go into courses and having to do the lot, when all they need is ‘this bit’ to upskill. I think that sort of flexibility is very important for women trying to re-enter the work force.

Dr Burke—I think when you were out of the room, Chair, we were addressing this point before, and that very flexibility of not having to do components of the course that you have already done can make it possible for a parent who has child-care responsibilities to do, simply by having to turn up for only a few hours a day. So in fact the course does not need to change at all and it can be fitted in during the hours it formerly was.

CHAIR—At this stage, I would ask someone to move that the chart and the brief that were presented to the committee be received as a supplementary submission. There being no objection, it is so ordered.

Dr Burke—Can I just make one more point?

CHAIR—Yes.

Dr Burke—It is do with the cultural and attitudinal shifts that we recognise as being important and is our very last point—No. 5, regarding the media campaigns. It is anecdotal, but one of the things that I noticed in preparing for this inquiry was that most people seem to have no understanding of the impact of a fertility decline. A considerable amount of work needs to be done to help people understand the benefits of stopping a fertility decline.

CHAIR—To put it in its perspective, the good thing for us, despite the birthrate of 1.76, is that we will still continue to increase our population and reach, say, 24.5 million by 2050 because of our migration policy. But our demographic has totally changed. Pardon me for repeating this, but the big understanding which is now really starting to dawn on people, and which was part of the work that I commissioned back in 1999 when I was doing the International Year of the Older Person, is that the big cohort of baby boomers who were available as new employees—they were cheap and you could put them on and get rid of the older ones—has stopped. The big bulge now is in the mature age worker. That person, who used to be very expensive because we paid more as people got older, will actually become cheaper. They are also likely to be part-time workers who want to keep their skills up and continue to work, but perhaps not at the same rate. With that and the return of women into the work force we can maintain our work skills.

The Access Economics research that I commissioned showed that we have been putting 170,000 new entrants into employment every year, but for the entire decade 2020 to 2030 it will be 125,000, which is 12,500 per year. So there are a lot of jobs we have to make up from our own resources. While our migration policy assists us in that, it will not solve the problem. We really have to value the skills of women very highly. That is what a sophisticated, civilised society is about: we are able to value individuals and temper and mould our policies so that we serve our society and that we as leaders are servant leaders of our society. It is not doom and gloom; it is actually quite good that we are utilising everybody we have. If you look at the idealised family, still the majority of people are saying two children. That is still not quite at the replacement rate even if they did it, but at the moment 25 per cent of women and 20 per cent of tertiary educated women are not going to have any kids at all. That is a concern and that is why we are talking a lot about it here. Thank you very much for coming.

[3.54 pm]

RICHARDS, Mrs Helen, Member, Victorian Branch, Women's Action Alliance (Australia) Inc.

SCHOFIELD, Mrs Isabel Bridget, Victorian State President, Women's Action Alliance (Australia) Inc.

SMIT, Mrs Pauline Mary, National Secretary, Women's Action Alliance (Australia) Inc.

Witnesses were then sworn or affirmed—

CHAIR—Welcome. We have your submission, for which we thank you. We have received some additional material from you, and it has been moved that we will receive this as a supplementary submission. It will be received as evidence and authorised for publication. Would you like to make an opening statement?

Mrs Smit—Yes, we would. If it is possible, we will have a few minutes each.

CHAIR—Yes, that will be fine.

Mrs Smit—I would like to introduce Helen Richards. She is a qualified division 1 nurse and she has also got a degree in health promotion. She has got two little children. I would also like to introduce Isabel Schofield, who is a qualified dietician and our state president. I was a physiotherapist in a former life many long years ago. Isabel has got three adult children and I have got four, so that is where we have been all these years.

Mrs Richards—I believe you all have our submission in front of you. There are three points which I personally would like to speak to. The first point refers to page 2, under the headings that relate to the social disincentives to starting families and to the status of mothering. The second point relates to financial disincentives, which are discussed on page 10. That point includes the role of paid maternity leave. The final point relates to the disincentives to paid work for mothers returning to work if they wish to do so—and that includes the Higher Education Contribution Scheme.

I will start with the status of mothering. I read this and it really struck a chord with me. Mothering is an undervalued part of our society. Most of my friends at the moment belong to a mothers' group or an antenatal group, which I am also obviously involved in with these two little kids. Undoubtedly, every one of them would say mothering is the most demanding and the most hard-working job that they could possibly ever hold, and yet they feel that it is not valued. They feel that the work they do and the contributions that they make to society are very undervalued.

For me, personally, I left the work force to have children, and I plan to stay out of the paid work force for a period of 10 or 15 years. I would like to have another two kids. To do that, not just to go through the pregnancies and the births, I will need to be out for a while—probably until my children go into school. I feel that, for me, very little value is placed on my being at

home. I do not feel that I am contributing financially to society and, in many senses, I have been treated as though I am slacking off at home. That is just one of the things that you hear bandied around when people say, 'She's a stay-at-home mum and she doesn't do much more than clean up after the kids and tidy up around the house.' I feel that is something that is reflected in our society and something needs to be done. I do not know what should be done but something does need to be done to improve the status of mothering. People need to be encouraged to choose mothering as a career—not just to be valued at work and to find their value in themselves at work, but also in the home. They are my comments on the status of mothering.

Another comment I would like to make regards paid maternity leave, which is discussed on page 10 of our submission. I would like to say that I commend the government for giving a maternity allowance rather than saying everybody should have paid maternity leave. The statistics have shown that paid maternity leave does not make much difference to people who are deciding to have children. Admittedly I think that the maternity payment does not make a great deal of difference in deciding but at least every child does get that financial benefit.

I have been out of work for two and a bit years now. My eldest daughter is turning two in October. I did not return to full-time work after having her. My twelve months unpaid leave after having her went by and I did not return to full-time work. I started casual work, so when I became pregnant with my second child I was not entitled to maternity leave. If the government had not given me the maternity allowance for both, we would have missed out on the financial benefit, as would other women who are perhaps not in paid work at all. I thank the government. I think that is a great initiative.

Mrs Smit—I would interrupt at this stage to say that the Women's Action Alliance was very pleased that the policy eventually attracted bipartisan support from both major parties. Commonsense reigned, really.

Mrs Richards—Finally, I would just like to say something in regard to the Higher Education Contribution Scheme. I am aware that it has changed and is now called the Higher Education Learning Program, but I acquired a HECS debt, so I will refer to it as HECS. On page 13 of our submission it says that the HECS debt is a disincentive to paid work for mothers. For those wanting to return to paid work who have a HECS debt, it can certainly be viewed as just one more debt that you have to pay off when you return to work. Personally, I have a HECS debt and it will still be there in 10 years or 15 years when I go back to the paid work force and start earning enough to pay it off. At that point in my life I would imagine my costs for bringing up a family will have increased. If I am still paying off a home loan and things like that, it will be just one more thing that will be a financial problem for me. It will have increased over those years, simply because I have been out of work and not paying it off at all. In some sense, it makes me feel that being a mother is not necessarily compatible with being an educated woman. I have chosen to be educated and I have chosen to be a mum, but in the long run it is going to cost me more. That is just one of the things that concerns me personally.

There are two recommendations on page 16 of our submission. Women's Action Alliance recommends that the HECS debts of women be frozen and not inflated with indexation during their periods off paid work, while they are caring for dependants. The Alliance also recommends that the HECS debts of couples who have four or more children be deleted.

Mrs Smit—We think that that second policy—cancelling the HECS debt of couples who have four or more children—would not cost the government a lot. Not many families have four or more children any more. But it would be a fairly strong affirmation for those having more than a pigeon pair of children, I suppose. As for the other policy, we do not think that is radical at all. We think that is just commonsense. If you want people to have more children you need to reduce some of the disincentives to coming back to work. So, for God's sake, at least don't let that HECS debt keep growing and growing while people are out doing something that is a financial contribution—and having and rearing children is a financial contribution.

Mrs Richards—I will also add that as a nurse I am likely to increase my HECS debt in the future. I will require retraining. I either pay for that upfront, which would be a struggle to say the least, or I acquire a further HELP debt. That is a very big disincentive to starting back at work, because I will undoubtedly require retraining to return to the nursing work force.

Ms GEORGE—Do you think women are limiting their employment options by finding work that brings them in under the repayment threshold? Is there any anecdotal evidence of that? Do you think that might be limiting full-time work in good career positions for some people?

Mrs Richards—I can only speak for myself on that. I will probably return to work only on a casual or part-time basis, because I wish to be around for my kids and not to accumulate any more debt, which would make it harder for me and my husband to bring up our kids.

CHAIR—We might get a comment from all three witnesses and then go to questions.

Mrs Schofield—I want to address the financial and career disincentives to starting a family. On the financial front, obviously the greatest expense that any family undertakes is buying a house. The burden of a mortgage has risen considerably in recent years, with escalating house prices. Formerly, perhaps 30 per cent of a normal income would go on mortgage repayments. That figure is now approximately 40 per cent. Housing prices have escalated between 1995 and 2002, rising faster than the cost of living. There is no sign of any substantial downturn in the future which will alleviate this problem. This is obviously a huge disincentive to families. It has been an Australian tradition for a married couple to set up their own home before they start a family. That has always been the ideal. People are still aiming for that ideal, but it is becoming more and more difficult. Obviously, to meet repayments you are going to hang on in the work force and put off having a family until later and later and reduce the number of children you were planning to have. So I think the issue of home mortgages is huge. There is also the burden of the government taxes that are added—stamp duty, GST and the various state and local government—

CHAIR—There is only a GST on new houses, not established houses.

Mrs Schofield—Yes. But that adds significantly to the financial burden. On page 7 of our submission we have suggested some solutions. We would like to see stamp duty abolished for all first-time buyers—and that is already available in Queensland, Western Australia and New South Wales.

CHAIR—Up to a certain limit.

Mrs Schofield—Yes. Home borrowing should not exceed 30 per cent of disposable income so that the burden is not too great. If a woman is having children, there will be periods when one income must support a home loan, so that should be taken into account.

CHAIR—Did you look at the question of renting at all?

Mrs Smit—Renting and rental assistance?

CHAIR—No, renting instead of buying. There is quite a lot of discussion around that suggests that it is actually a better proposition.

Mrs Smit—This is a very old argument, isn't it? I have listened to it quite a lot over the years—

CHAIR—It is quite a new argument in Australia.

Mrs Smit—I have heard an argument for many years now that you would be financially better off renting. But when you are elderly and need to move into a nursing home, the best thing that will help you get a place is having a house that you can sell.

CHAIR—The very best news I have for you is that only eight per cent—it might be nine per cent—of people over the age of 70 need residential care.

Mrs Smit—That is true.

CHAIR—Another 12 per cent need some services, and the other 80 per cent—that is, the rest of us—are going to have a damned good time until we fall off the perch.

Mrs Smit—That is exactly what I am hoping to do, that is for sure.

CHAIR—That is the good news.

Mrs Schofield—A lot of rental accommodation now is apartments or units with very small gardens.

CHAIR—A lot of houses, too.

Mrs Schofield—Yes. Unfortunately that will tend to limit the number of children that people will have. I think it is pretty hard to bring up a large family in an apartment setting.

CHAIR—I am not advocating it. I am just pointing out that it is out there as a proposition. Of course, in Europe, for instance, it is very much more common than it is here.

Mrs Schofield—Yes.

Mrs Smit—But that is because we are the lucky country. There is no European country like us—there is Switzerland, which has a higher GDP than us, but they do not have the

unmeasurable wealth that we have, like the coastline, the beaches, the weather and all the rest. So give me Australia over Europe any day.

CHAIR—I will vote for that!

Mrs Smit—I love Europe and I will spend a lot of time there, but we all come back.

CHAIR—I am sorry; I interrupted.

Mrs Schofield—I turn to career disincentives, particularly looking at male employment. There is the precariousness of male employment. The casualisation of the work force has made a lot of men very poor prospects for marriage. Their income is greatly diminished by casualisation. It has been found that quite a lot of people formerly engaged in the manufacturing industry and unskilled trades have been losing those jobs as they go offshore. Many men are not in a financial position to take on a wife, let alone a house and a family. I think the financial situation of male workers does need to be addressed. We would like to see education—males being encouraged to enter apprenticeships or go into some post-school qualifications to help them gain employment and raise their level of income.

CHAIR—What if women are the main breadwinners?

Mrs Schofield—A lot of unskilled men have traditionally gone into manufacturing industries. Women have always been able to find quite a variety of employments.

CHAIR—But what if the woman is the major breadwinner in the relationship and the man is the supplementary breadwinner and it is still a good family income?

Mrs Richards—That is a good idea, except where a male partner does not want to bring up the kids or does not necessarily want to take the time off when the kids are sick et cetera. I think that is also a disincentive to starting families—if the woman is the major breadwinner but the guy she has found does not really want to have to stay at home with the kids.

CHAIR—She does not necessarily have to stay at home.

Mrs Richards—No, but there will still be school holidays or, when one of the kids is sick, a couple of days will need to be taken off. If he does not want to take on that role then that makes it hard.

CHAIR—Nonetheless it is a reality; it is happening now—that the woman is the major breadwinner and not the man.

Mrs Richards—It is.

Mrs Smit—It may well happen more with time—we trust it will—but it is purely a private matter for the couple in our view; it should not be a view imposed on them by anyone, including governments.

CHAIR—Absolutely.

Mrs Smit—I think that if we want to empower young women then we should educate them, including equipping them with negotiating skills, and then let them go out and negotiate their relationships. There should perhaps be the assistance of pre-marriage courses. You would be surprised how many young people have not talked about quite important things. I discovered that one of my own sons was about to marry and they had never talked about how many children they would have. She was an only child, by the way, and he is one of four, so there were likely to be slightly different expectations. They did discover this by going to a pre-marriage course, so thank God they went. You might be interested to know that it was the Hon. Kevin Andrews's wife who took them through their pre-marriage course. So some highly skilled politicians' wives are doing good work out there in the community too. She certainly did a good job for my kid. I could not believe I had spent all that money on his education and they had never talked about how many children they were going to have

CHAIR—Have they got on with it yet?

Mrs Smit—Yes, they have had two.

Mrs Schofield—We definitely need to improve the career prospects of men. I think we really have to put some effort into encouraging young men into further education. Quite frankly, girls do not consider men on a poor income as a marriage prospect at all. They are not even considered in the marriage game these days, unfortunately. So they are seriously disadvantaged in ever gaining a partner and starting a family. I think this is another reason we are having fewer marriages and fewer children. Girls are getting more and more particular, I find.

Mrs IRWIN—Is that a good thing or a bad thing?

Mrs Schofield—Sometimes it can be a bit unrealistic, I feel, but that is a personal view. I think casualisation and poor job prospects are definitely a factor. I also wanted to mention the issue of encouraging sole parents back into the work force when the youngest child starts school. There are still pockets of high unemployment, particularly among youth and among middle-aged men who have been retrenched. There is definitely an ageist bias there. So we do have these pockets of high unemployment, and we are not happy about the pressure put on parents—mothers usually: it can be the man but usually it is the woman. Whoever the sole parent is, they already have a double job. They have been both father and mother to a family, so there is a lot of stress on them. It seems to me that you are putting the horse before the cart in trying to push those people out before they can emotionally or physically handle it. We would like to see them be able to stay out of the work force so they can offer some more support to their children, leaving some of those jobs open for people where there are high pockets of unemployment. We feel quite strongly about that.

Mr QUICK—What should we say to Coles and Woolworths, who basically have a part-time casual work force because they do not have to pay holiday pay, superannuation and a whole lot of other things? If they are sited in areas of intergenerational unemployment, that is seen as at least a job. If you live in broadacre public housing and there is no real incentive, relationships can be a bit tenuous, and domestic violence and a whole lot of other things tend to flow, in general terms. So what incentives should we give to Coles and Woolworths and other similar enterprises that are interested only in the bottom line profit and return to shareholders, rather

than having some sort of social conscience? Do we say, 'Perhaps you ought to think about putting on more permanent people'

Mrs Schofield—I think a lot of government policies have contributed to the casualisation. Unemployment figures are very misleading: the number of people who are employed may definitely have gone up, but the amount of permanent employment has decreased.

Mrs Schofield—The thing that worries me is that lots of young men have no role models where they can see the value of education, so they tend to drop out after year 10.

CHAIR—They have got people like Jennie and Julia as good role models.

Mrs IRWIN—Thank you, Chair, for that. My school did not even offer the higher school certificate when I was there.

Mrs Smit—This is the very point we are making: there is a very high unemployment rate among youth. For those aged between 15 and 19 it is 17 per cent.

CHAIR—It is 17 per cent, but it is a relatively small number.

Mrs Smit—It is relatively small, but why are we targeting mothers, to get them back to work, when we have got these young people? A previous minister for family and community services said to us at one time that there are 30,000 IT jobs out there that those women could be trained for. If that is the case, the unemployed youth could also be trained for them. Why is it that women are targeted when they are busy?

That piece of paper we gave you, which is also in our submission, is what I call the 'black finger chart' because there are two big black fingers sticking up there. The top one is the per capita value of unpaid work, by gender and age. The big black finger is women between 25 and 44 years of age, and the bottom one is the value of the work they do, in billions of dollars per annum, and the big black finger is women in their middle years. Yet they are the very women we are urging back to work. Don't you think they are working? By the way, you might note that men are doing more unpaid work right beside the women in that age group too, because, while the women are mothering, they are fathering young children.

Mr Quick, you were asking whether there was any evidence that mortgage rises do lead to pushing women back to work. Yes, there is, and I will send it to you. I do not have it with me, but I have seen that some years ago. There was about a year's lapse where there had been a bit of a rise in the mortgage levels. About a year later you found a surge of women into paid work. It comes from the Real Estate Institute, I think. So I will send you that.

Also, you were asking whether there was evidence that financial strains actually did contribute to marriage breakdown. There is loads. The people you ask for all that are the Institute of Family Studies. So the government's own body will provide you with plenty of that. Financial stress is a major factor in marriage breakdown.

I will try to be quick, because I have realised we have not got that much time. One thing I would like to address is that, if we are going to develop any sensible policy on paid and unpaid

work and getting the balance right, we have got to have good information about both. We survey the paid labour market every single month. We have now surveyed the unpaid work done in families and the community twice—once in 1992 and once in 1997. After that the government, through their agents in the ABS, said, ‘We don’t need to do that so often anymore.’ So it was not going to be done until eight years later, and that will be next year. Yet now we have two major inquiries going on at the government level which absolutely depend on having up-to-date statistics about both paid and unpaid work. Where are they for unpaid work? We have not done them. So could we please consider having as a recommendation of your report that the survey be restored to a five-year cycle as core measurement? If this is a barbecue-stopping policy area we need proper data to base our decisions on. An awful lot that is going to be said to you at this table by me and others is opinion, but we need facts too.

There are another couple of things that I have brought along. I would like to show you this piece of paper, which actually emanated from a publication done by Sara Charlesworth at RMIT. But they were just reproducing ABS figures. We tend to get the view from the media these days, and other politically driven sources, that women who are at home with little children do not want to be there anymore and in fact there are not many of them. Have a look at the left-hand column in this chart: there are more of them than there are in paid work—more women are not in paid work during the time when their children are little.

I live in the eastern suburbs of Melbourne. My daughter and my daughter-in-law have both returned to work fairly quickly after having their babies. But we live in the eastern suburbs. They have both got tertiary qualifications et cetera. But further out in the eastern suburbs my husband and I also have a factory. Our workers do not come back to work after they have a baby. Who would want to come back to our factory? You would have to be awfully poor to want to come back to working in our factory once you have a baby. It is much better fun at home, believe me. However, our factory manager at the moment is a young woman who is about to have a child. She has assured us that she will be looking for part-time work, and we will certainly be bending over backwards to give it to her. My husband and I were having a good think about this the other night. He realises he needs to buy some technology to make job sharing practical.

I believe there is some kind of technology you can put into your telephone system which records telephone conversations, so that if your first job sharer has made some arrangements over the phone with a customer the day before the job sharer coming in the next day can catch up on that in detail by listening to that conversation. How about the government funding a bit of that for small employers? We have 20 employees. I do not think we can purchase it because it is probably way outside our reach. But I know big business has it. It is just a practicality that might be worth considering. If you want to encourage small employers to allow women to job share—although it will not always be women job sharing with women; in this case it will be a man and a woman—maybe there are some things that you could offer to help them.

CHAIR—It will happen where the business finds that a good way for them to operate.

Mrs Smit—That is right. It is there but small business is still an enormous employer of women in Australia today. Do you know, members of the committee, about the census to be held next year? Those of you who were members of the parliament when the last census was held will have received in the mail one of these from Women’s Action Alliance, and I hope you stuck it on your census form, as did many people in Australia.

CHAIR—I cannot read it. What does it say?

Mrs Smit—It says ‘unpaid work should count’. Up until the last census, if you indicated on the census that you had paid employment there were nine more questions for you about your occupation. If you said you had only unpaid work, as all full-time mothers do, there was not another question for you. In fact, you were immediately directed to question 24, which said, ‘Did you look for work in the last four weeks?’ We ran this campaign in association with the last census—we have just put out a newsletter and I have brought one especially to show you—and would you believe, we won; we did it.

We also managed to win bipartisan support for this from both major parties, but there was an awful lot of negotiation that went on before it happened, believe me. In fact, at one stage the Bureau of Statistics showed us the questions that they were testing and recommending to the government. One was about unpaid work you did in the community, outside your home. The other was about any child care that you did for children other than your own. Were we pleased? We were highly displeased. We said, ‘Could we please write down what we do for our own families and children?’ I do not know what happened, to be honest. We did go crook when we saw the questions. Of course, we wrote to the minister, the head of the ABS and everyone else, and visited various people. The ABS have now provided us with the four questions that will be on the census next year. They are inclusive of mothers’ unpaid work at home, so we are very pleased about that. It is important to your work too, because unpaid work will be measured.

CHAIR—But what does that mean? Is it how many hours you spend washing, vacuuming or ironing?

Mrs Smit—Yes.

CHAIR—I am going to sound like the devil’s advocate, but the reality is that the choice as to whether or not you want to be a full-time mother depends on two things: (1) your ability to afford it and (2) your willingness or wish to do it. There are many people who can afford to do it who do not wish to do it, and that is a perfectly valid choice.

Mrs Smit—It certainly is.

CHAIR—Helen has given us testimony about what she wants to do for her next 10 years. That is terrific, and that is her choice. But it does not make somebody else’s choice any better or worse than her choice. The person who chooses to work and also have a family is still going to do the vacuuming, the ironing and the washing, and so maybe those questions should go into the census for the working people too.

Mrs Smit—But they will be there for everyone; everyone will answer those questions.

CHAIR—They will?

Mrs Schofield—Yes, they will. They will cover the totality of things that people do. They will not select just one part of the population by asking, ‘What do you do when you are in the paid work force?’ and forget the rest. Nobody lives their life in the paid work force; they come home and they do other things. So the questions will cover the totality of a person’s life.

Mrs Smit—Everyone will fill in those questions. They will not just be for full-time mothers.

CHAIR—That's good.

Mrs Smit—They will be for everyone, as is the time use survey. The time use survey is a much superior instrument for measuring unpaid work.

Ms GEORGE—Was the last one done in 1997?

CHAIR—Yes. I was out of the country.

Mrs Smit—Yes, and it has not been done since.

Ms GEORGE—Reading Pru Goward's report it seemed to me that it was drawing on 1997 data.

Mrs Smit—That is right. It is very old, isn't it? The Bureau of Statistics indicated at one stage that they were considering putting it out to a 12-yearly cycle. If I came to you with a submission in which I was quoting statistics that were 12 years old you would be saying, 'Haven't you got anything relevant and new?' Of course, the Bureau of Statistics knew very well that people would stop using those statistics and that then they could stop doing it. The time use survey is a big, expensive survey. It is a very important survey because it is crucial to viewing the whole work done by the whole community, and not just by the market group.

I do not know whether or not I should necessarily make this comment, but I am going to. I read the government report, *Striking the balance: women, men, work and family*, with interest. You are aware of it because it goes alongside your own work. In it there is a small section called 'Young women aspire to be working mothers'. It states:

... 91 per cent of young women surveyed expressed a desire to be working at age 35, with 60 per cent wanting to work full time and 31 per cent part time.

It goes on:

These young women—

these are not women who have had children—

did not expect paid work to be at the expense of relationships or children, with 96 per cent wanting to be married or in a stable relationship by the same age, and 92 per cent wanting a child or children.

But we know that when you ask those questions of older women who have had babies they have changed their view. That is why I have given you that other sheet with quite a listing of women's preferences. For some reason HREOC has chosen to quote only one survey. We have listed six different surveys which show that, in fact, women's preferences once they have had children are quite different. I am a little astounded at this gap in the report, because I think it may be deliberate.

CHAIR—I am sorry; what is missing that you want?

Mrs Smit—There is just no reference to any survey that shows anything other than the fact that almost all women want to be in paid work all their lives, virtually. And yet we know that there is plenty of work being done out there which shows an entirely different picture.

Ms KATE ELLIS—I am not going to ask a question; I think we are out of time. I thought the same when I first looked at this, but isn't the difference that these survey results are talking about society saying, 'We think women should be at home,' whereas the other one is about women themselves saying what they want to do?

Mrs Smit—The answer to that question is yes or no. If you read through those reports—and I have only given you a sentence about each, but I can certainly get you more information if you would like it—some of them do separate it out into males, females, various ages and what have you, and some are mothers. We in Women's Action Alliance are very aware that most women will want to go back to work after they have had one baby. Most, after they have a second baby, will look for the option to be out for longer, because it is just too much work. It is to do with the big black finger on the bar chart I showed you earlier. It is: how much work can you do in one day? How much work is it reasonable to expect of a person in one day?

However, that does not mean that we do not want women back in paid work. We recognise, as much as anyone else in the community, that because of the disastrous birthrate we have had there is going to be a huge labour gap, and we will have to have all shoulders to the wheel. But it does not have to be women any more than it has to be the unemployed men we have identified and the unemployed youth. It should be the women who want to be there. We notice that your terms of reference do focus on who wants to go back, and that is where we need to be.

I was going to spend a few minutes talking about marriage, but I was pleased to hear such a lengthy discussion with the previous witnesses. The facts are of course that if you look at the statistics—I think I have them here—the unemployment rate of parents in families with children under 15 is higher in lone parent families than in couple families: 17 per cent in lone parent families and four per cent in married parent families.

CHAIR—I am sorry; what was that?

Mrs Smit—The unemployment rate. I am talking about the role of marriage in getting women back to work. More married women will work than sole parents. That is fairly well established; we know that.

Mrs IRWIN—It is understandable.

Mrs Smit—Of course.

Mrs IRWIN—They get support of a night-time when they come home from—

Mrs Smit—They have a babysitter built in, to do some evening shifts or Saturday shifts. So marriage is an important factor in getting up the rate of participation by women. There is no doubt about that. They can work better in a marriage or a stable relationship. But governments

have not been very good at affirming marriage. In fact, when you go through government documents, you often will not even see the word 'marriage' there.

CHAIR—We just put it back in the Marriage Act.

Mrs Smit—Good. God bless you. It is 'relationships, relationships' until you are blue in the face. 'Mother' went missing too, you know. You would never see the word 'mother'. You would even see the term 'parenting women', or you would see 'parents', but the word 'mother' just disappeared. It is back a bit now, because that has been—

Mrs IRWIN—So you are virtually saying that the word 'marriage' should be used in government documents, rather than the word 'relationships'.

Mrs Smit—Well, at least with the word 'relationships'.

Mrs IRWIN—But there are some people who are not married who are in a wonderful—

Mrs Smit—Yes, absolutely.

Mrs IRWIN—I have friends who have been in a wonderful de facto relationship for 37 years and have three beautiful children. They do not look at it as a marriage—

Mrs Smit—It is a marriage.

Mrs IRWIN—They look at it as a partnership.

Mrs Smit—It is all but a marriage. They have chosen not to take the vows and sign the contract, for whatever personal reason. Nonetheless, despite that—and I know couples like that too—there is a huge body of social research, which I sent to you as an appendix to our submission, which shows that children's life's chances are greatly enhanced by their parents being married, not just in its strong social relationship. But it is largely to do with the fact that married relationships break down at a lower rate than de facto ones. That is all it is about, really. I do want to talk a bit about retraining. I think a lot of young girls have the impression that if they drop out for a few years they will never get back to their career.

CHAIR—Some of them will not.

Mrs Smit—And yet, you look around your parliament. You have outstanding examples in the parliament of women who have had more than the average number of children. I could name them. Senator Judith Troeth has five kids. She is a senator and a parliamentary secretary.

Mrs IRWIN—Look at Kay Elson—

Mrs Smit—Kay Elson has eight children. She is a member of this committee.

CHAIR—She is up to—what?—12 grandchildren now. I am not sure; I think the last one was the twelfth.

Mrs Smit—Yes. And yet they are now members of our parliament. So it is not only possible but it is happening all around us. I can think of a dozen more.

CHAIR—I do not think you can say that the likelihood of many of them doing it is great. I forget how many, but there have probably been fewer than 1,000 people in the parliament since Federation—

Mrs Smit—I am sorry; I have used the wrong term there. I withdraw that. But we do need to make it easier for them, and retraining is obviously a crucial factor in that. We have one practical suggestion: a mother with preschool aged children who wants to keep purchasing her professional magazines could at least have them made tax deductible. Why not give a little encouragement?

CHAIR—They are, as long as you have a taxable income.

Mrs Smit—But what if you haven't? That is the whole point.

CHAIR—If you do not have a taxable income, you have nothing to deduct it from.

Mrs Smit—Maybe you could deduct it from another income in the household.

CHAIR—I do not think so.

Mrs Smit—We do lots of things on a shared basis.

Mr CADMAN—We would like a copy of that research.

Mrs Smit—A copy of which research?

Mr CADMAN—A copy of the research about the stability of relationships. You mentioned there is lots of research that indicates that a marriage environment is—

Mrs Smit—I have a copy with me, but it did come as an appendix to our submission.

Mr CADMAN—Thank you.

CHAIR—Is that something we have not yet received?

Mrs Smit—No, it is the appendix that came with our submission. It is just a collection of evidence about the impact of marriage on children's lives.

CHAIR—The appendix is not in the papers but it is on the web site?

Mrs Smit—And it is here. You can make some copies for members who would like one.

CHAIR—We will accept another copy of it now which we can reproduce for members.

Ms GEORGE—You argued that family tax benefit B be retained as a universal payment. I want to draw an example to your attention. I support your concerns about forcing mums into paid employment once their kid turns six, particularly in areas where there are problems with outside school hours child-care provisions. Where is the justice in a system where 30,000 families earning \$100,000 plus, of whom 31 families are in the millionaire category, are entitled to receive family tax benefit B or part thereof via the government? At the same time as single mums are going to be forced onto a lesser entitlement with a Job Search obligation when their child turns six, the mum at home with a millionaire hubby will get obligation-free welfare assistance.

Mrs Smit—Let us face it: family tax benefit part B is only the dependent spouse rebate increased and paid out as a payment rather than as a tax rebate.

CHAIR—It is a lot bigger than the dependent spouse rebate ever was.

Mrs Smit—It is still the same concept; it is exactly where it came from. In fact it was the Keating government that converted the dependent spouse rebate into the home child-care allowance and paid it to the mother. That did not get rolled into family tax benefit part B.

CHAIR—No, the family tax benefit is a new concept. It is far more money and it is paid in two parts. There is part A, which is paid—

Mrs Smit—We are not talking about family tax benefit part A, though; we are talking about part B. Family tax benefit part A is means tested. Family tax benefit part B carries a means test too, on the secondary earner's income, and she can earn very little. We have defended it as a non-means-tested payment. In fact, we would recommend that family tax benefit part A also not be means tested, purely for horizontal equity reasons. Consider two high-income earners who are earning the same amount of money doing the same job—and I think in our paper we mentioned high-achieving bankers. They are up over the income limit for family tax benefit part A, but they are supporting another adult.

Ms GEORGE—But another client who is married to a millionaire and has a seven-year-old child has no work test obligations. A single mum on the single parenting payment who has just gone through a divorce and has a seven-year-old child is now going to have her income reduce by \$44 a fortnight and will have to go out and look for work. Where is the justice in that?

Mrs Smit—We are not recommending that.

CHAIR—No, it is just the classic 'one husband away from welfare', isn't it?

Mrs Smit—We have opposed that. All we are saying is that, when you have these two high-income earning people, one is single and has no dependants but the one who has a wife should get some kind of recognition for the fact that he is supporting another adult.

Ms GEORGE—I am just giving you an argument to strengthen your argument against the sole parent proposal.

Mrs Smit—I do not want that argument, I am sorry.

CHAIR—The really new thing about the family tax benefit was part A; that is what eats up most of the money.

Mrs Smit—Because that is the part that goes to all families.

CHAIR—Part B was the distinct recognition of single income families.

Mrs Smit—It is women's work—that is what it recognises. Philosophically it is very important because it recognises it. You get the higher level of it only until your youngest child goes to school, and then it drops back considerably. You can say, Chair, that the maternity allowance is just the baby bonus grown up. We used to have a baby bonus—

CHAIR—My goodness, I wish it was around when I had mine.

Mrs Smit—It was \$30 when I had mine, but it is the same concept.

CHAIR—Child endowment was hardly worth mentioning.

Mrs Smit—Child endowment was very useful to me. In fact, my husband and I saved it right throughout our children's lives—we were lucky enough to be able to—and used it to pay secondary school fees. We were fortunate to be able to put it aside. It was paid to me back in those days. One of the things about which we have reservations now is the choice that is offered to families that they can receive their family payments directly through the primary carer, get them taken out of their tax as they earn or get them at the end of the year. But guess who very often misses out on seeing any of that cash as a result? Mum. Once it gets chewed back into the tax system she does not get it in her hand, as was the case when family allowance was first invented in 1976. We talked about it going from the wallet to the handbag, and it did give some cash to some women.

CHAIR—That was Margaret Guilfoyle's reform.

Mrs Smit—There is one other thing that I want to say, if I may. It is about some stuff that the Women's Action Alliance probably has not talked about much in the past. If you want to be able to balance work and family, you have to get shorter working hours. Next year it will be 150 years since we achieved the eight-hour day. Where is it now? So many people in Australia, one of the wealthiest countries in the world, are working extremely long hours, to the detriment of their families.

I would like to draw your attention to what we said in our submission under the heading 'WAA recommends that the following matters be given urgent consideration through the industrial processes and awards'. You will see there that we have listed industrial matters about the unpaid period of maternity leave being extended to three years and a shorter working week for women who work full time—a 35-hour week—combined with a nine-day fortnight. I am told by women who work full time that that nine-day fortnight is the greatest blessing they have ever had, because they have one day of the week when they can do the cleaning, get the repair man in and do those jobs that are not possible on weekends. The entitlement to return to part-time paid work is not something we need to mention, because everyone else is talking about it. Reduced

hours for a period of 12 months after return to work would be attractive and would get women back sooner, we would think.

Other matters include no loss of promotion level; an entitlement to consideration of family responsibilities when rosters are being drawn up; shorter working days—nine till three—for parents with school aged children, both primary and secondary; and flexible working arrangements. The capacity to purchase extra leave—and not sell it, as we have been hearing—is a proposition being put forward by the government. I stress ‘purchase’ extra leave, because we do not think mothers will want to sell their leave, believe me. Where this leave cannot be provided we think that parents should perhaps be reimbursed by employers for child-care costs over their school holidays periods. The right to accrue long service, annual leave and sick leave during the statutory period of unpaid maternity leave should also be considered. We are not just the old conservative Women’s Action Alliance; we actually do want some quite radical things to happen if we are serious about getting unpaid and paid work in balance.

CHAIR—I thank you both very much for coming in and for the additional information that you have given to us; we appreciate it. Thank you also for the evidence you have given today and for some differing points of view on some issues.

Mrs Smit—There probably would never have been such things at the time of your survey if it had not been for Women’s Action Alliance back in the 1970s. It was actually a Hawke introduction and came in as part of Mr Hawke’s national agenda for women. We felt at the time that it was a bone thrown to us to shut us up, to be honest.

CHAIR—Do you mean Mr Whitlam in the seventies?

Mrs Smit—No, Mr Hawke in 1983.

CHAIR—Not the seventies; the eighties.

Mrs Smit—Yes, I think the national agenda for women was in 1983, but it has grown much beyond a bone, hasn’t it? It is now critical—

Mrs IRWIN—There would not be equal pay for women it were not for the trade union movement.

Mrs Smit—Exactly.

CHAIR—But we do not have equal pay for women; they still do not get it.

Mrs Smit—That is true too. We will not stop, will we? We will keep working.

CHAIR—Thank you very much.

Resolved (on motion by **Mrs Irwin**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 4.45 pm