



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF  
REPRESENTATIVES**

STANDING COMMITTEE ON FAMILY AND HUMAN SERVICES

**Reference: Balancing work and family**

WEDNESDAY, 24 MAY 2006

CANBERRA

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES



## **INTERNET**

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to:  
**<http://parlinfoweb.aph.gov.au>**

**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON FAMILY AND HUMAN SERVICES**

**Wednesday, 24 May 2006**

**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, 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:

1. the financial, career and social disincentives to starting families;
2. making it easier for parents who so wish to return to the paid workforce; and
3. the impact of taxation and other matters on families in the choices they make in balancing work and family life.

**WITNESSES**

**POCOCK, Professor Barbara, Private capacity ..... 1**



**Committee met at 10.44 am****POCOCK, Professor Barbara, Private capacity**

*Evidence was taken via teleconference—*

**CHAIR (Mrs Bronwyn Bishop)**—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. To date, the committee has received some 200 submissions and taken evidence from more than 60 individuals and organisations for the inquiry. The committee is investigating the disincentives to starting families, how to make it easier for parents to return to the workforce and how tax and other matters affect the choices families make. The response that the committee has received clearly indicates how significant these issues are for many Australians.

Today the committee will take evidence from Professor Barbara Pocock, director of the recently established Centre for Work and Family at the University of South Australia. Professor Pocock is an active academic in this area of study. This hearing is open to the public and a transcript of what is said will be made available via the committee's website. If you would like further details about the inquiry or the transcript, please ask any of the committee staff here at the hearing.

While we are not taking evidence under oath or affirmation, I would remind you that these are formal proceedings of the parliament and the giving of deliberately misleading information could be considered to be a contempt of the parliament. The reason we are doing that is that we cannot swear or affirm witnesses by telephone. Professor Pocock, do you have any comment to make on the capacity in which you appear before the committee?

**Prof. Pocock**—Thank you for that introduction, Mrs Bishop, and thank you for the opportunity to be here. I am addressing the committee in terms of my position as one of the convenors of the network of work and family researchers who made the submission to the inquiry. I would also like to speak this morning in my own capacity as I obviously cannot speak for the others in the network who are not here with us at present. Perhaps I can move to some opening remarks. Would that be appropriate?

**CHAIR**—Yes. That would be most appropriate, if you would make an opening statement.

**Prof. Pocock**—I would like to speak about two things in particular. My views about the current work and care arrangements in Australia are probably best represented in my 2003 book *The Work/Life Collision*. The heart of that argument is that Australia really provides a rather discordant regime of work and care support for Australian citizens, and we have plenty of exciting work ahead of us to improve that regime.

In my opening comments today, I would like to refer to two things. The first is a set of principles that I think from my experience and reading of existing evidence are important to guide the reshaping of the Australian regime and arrangements, and I would like to specifically mention four policy initiatives. The principles that I think are very important are, firstly, taking account of the fact that most workers in Australia are going to be carers at some time over their

life cycle, and that things like a distinction between working mothers and mothers at home, for example, are very unhelpful to guiding improvements in our policy arrangements.

A second principle which really builds on that first one is that the key word to guide what we need to do, I think, needs to be 'transition', and transition over the life cycle. We need to have arrangements that facilitate transitions between jobs, between care and work, into retirement and so on. I feel, and I think the literature suggests, that lumpy policies—policies that create barriers between transitions like high effective marginal tax rates or the lack of, for example, paid leave—are very problematic. They impede transitions rather than facilitate them.

Thirdly, I think the principle of the wellbeing of Australian citizens should really be our overwhelming guide in policy. I think this notion of wellbeing includes both economic and social wellbeing of children, parents and workers. There are certainly other sources of policy momentum. I think demographic factors, gender equity, productivity and efficiency arguments are also very strong for a better work and care regime, but for my money I think we should be putting the wellbeing of citizens to the fore and especially the wellbeing of children. I think this makes both social policy and economic sense given the growing body of literature we have about the importance of investment in the early years of a citizen's life.

The fourth principle is that I think the key thing for people—and this is confirmed for me every day in which I do research in this field—in finding a good work-care arrangement is fit. When I say 'fit' I mean the fit between preferences, what people want, and the outcomes that they live with and can achieve. This means we really need to set aside personal or political ideology about how people should live. Whether they should have a maternal carer at home looking after a little baby or a grandmother or a child-care centre is increasingly irrelevant, I think, to the outcomes for the child or the household. I think the key thing is the fit between the preferences of the individual and the household and what they are able to achieve.

That leads me to the next principle, which is the principle of choice. If people are going to find fit, they have to have choice. It is the basis of fit. But choice, while it is a much used term, is an empty vessel without institutional and income arrangements that make real choice possible. Things like leave, flexibilities at work, a supportive employer and supervisor and child care are really critical infrastructure for choice.

The sixth principle is that the market, I believe, cannot deliver. It cannot deliver on so many fronts alone in assisting Australians to find a better fit between work and home. This is a guiding realisation across the OECD, where more and more OECD countries are actually increasing government intervention to support working carers as the participation rate of women increases everywhere in developed countries. We need to take a very careful approach to the reliance on the market to deliver better work and family outcomes, whether we are relying on the individual employer to realise there is a good business case in his or her business, or on the market to provide key things such as child care. There are significant difficulties and we need to recognise that as a principle.

A final principle—I have actually got seven—is that our solutions really should be attentive to the equity outcomes for different socioeconomic groups. If we leave behind the bottom end of the labour market as a nation, I think we are going to end up with very significant public policy costs down the track, quite apart from a whole lot of implications for us and our society.



Turning to some policy implications and ideas that are top of my list—and this will be shorter—there are four things: I think we need a new national partnership of Australian governments at all levels—local, state and federal—employers, unions and community organisations to work on a new policy standard and arrangement, recognising that Australia starts behind the OECD averages on many issues and that we are not catching up. Indeed, I am very concerned about recent changes in industrial relations regulation and their implications for work and family. I think a new national partnership is necessary.

Governments cannot do what needs to be done alone. Employers cannot do it alone, that is for sure. Unions and community organisations are also critical to change. We need to move forward in a more collective way. Secondly, for me, a critical policy change for us lies in the area of early childhood education and care. We have a ragged system at present, which does a lot of things well. We have good care in many places in Australia, and the federal government is spending a great deal of money on it, much more than in earlier decades. But our system is failing our children and, if it fails our children, it is failing not only the parents of those children but also the employers who rely on their labour. We need an integrated system of child care, which is community based, which links care to education, recognises the education outcomes for children, also links to health facilities and integrates for parental ease of access to community organisations.

We can really facilitate community strength and fabrics through a good early child-care system, and we are missing the opportunity at present. I think there are significant problems for provision of care for our children through for-profit arrangements, where the standards and surveillance of the system are weak.

The third area of policy that is very important is the question of leave. It would be well known to you that Australia lags in terms of paid parental leave relative to most developed countries. If we are going to be attentive to the literature, the argument is very strong for, where possible, and where parental choice exists, the facilitation of parental care of infants. There is convincing evidence about this. There is emerging and growing evidence around it. It is not going to suit all mothers or all fathers to be at home with young infants. We also have a growing incidence of post-natal depression, which is an inappropriate person to be caring for an infant, in many cases. But if we are going to be attentive to that literature, we should be facilitating parental care of babies. If we are going to do that, it is quite hypocritical to make the implication that parental care is essential to babies but not to facilitate it. I think Australia has the resources. It is a rich country. It should be offering 12 months of paid carers leave to all of its citizens who are workers. As I said in my first principle, this is not something that will just have meaning for working mothers; it will have meaning for the growing proportion of Australians who will find themselves caring for an aged parent or partner. We are in a position financially as a nation to move towards it. It is a key area where employers, governments and unions can cooperate.

The fourth issue that is very important for work and care arrangements in Australia is work regulation that gives a secure living wage to working carers. People who are looking after a child or some other dependant really rely on a liveable wage and some security and predictability of their income. In many cases, they value very highly the opportunity to move between part-time and full-time work and to have some say over their working hours. I am very concerned about the potential increase in unsocial working time, also already very high in Australia. That is a

long start. I hope I have not gone on too long, but that is currently my thinking, based on my reading of the international literature.

**CHAIR**—Thank you very much. That is a very thorough opening statement for us to deal with, together with your written statement. I could not agree with you more about the need to have choice for caring arrangements, and I also agree with you very strongly that we should be considering care for older parents and for disabled family members as well. I hope I misheard you. I thought as you developed your statement you said that you were against any commercial child-care arrangements at all; that somehow people who were doing it and making a profit were bad, as distinct from a community organisation making a surplus. Did I misunderstand you? I hope I did.

**Prof. Pocock**—I made the statement that care for young children which is for profit in an environment where standards are low or surveillance is inadequate is an inappropriate way to be caring for our infants and young children.

**CHAIR**—I think anyone would agree that any care that is low or bad care is unacceptable. I know from having done aged care that good people with good intent can also deliver very bad care.

**Prof. Pocock**—I am sure that is possible. I think there is a logic in the market that encourages providers of care, whether it is aged or child care—and in fact they are legally required to do so—to respond to the needs of their shareholders, where they are an incorporated company. My concern is more with the large corporate provision for profit, where, if surveillance is inadequate and standards are low, the logic of the market will, in many cases, despite the very best intentions of many employees in the sector or even managers, place downward pressure on standards with implications for the outcomes for the children.

**CHAIR**—That is where I have to take issue and why you cannot take out philosophy from the argument, if you like. You make the jump and say that, because there is a responsibility to shareholders, ergo it is bad care. I have to tell you that my experience as Minister for Aged Care did not reflect that. You could have very good companies with responsibilities to shareholders, who could manage things well, give good care, and still make a profit, if you like, and you could have churches and community groups—and there is evidence of this on the public record—which still wanted to make a surplus and which had an interest in making that surplus, and sometimes that could be good care and sometimes that could be bad care. It is really a question of good management and setting standards that we want to have met. There are also 50 per cent of children out there in informal care and we have absolutely no idea how good, bad or indifferent that care is.

**Prof. Pocock**—I quite agree that informal care is an important question also. I also can see that there is—and I know there is—great diversity in quality of care in both the public and the private sectors. I am concerned about the end of the private sector provision where there is opportunity to go to the bottom in terms of the standards, and indeed to go well below, in some cases, the legal requirements. My concern is about that, and I think the logic of the market combines in the private sector to make that hazardous. I am not saying that all private care is bad, by any means. I think, as you say, there is diversity. But we really do not have good, comprehensive research about the provision of public versus private care in Australia, and I

think that is a very important research question which government should be considering. It is a very significant change in our child-care policy under way at present in terms of the corporatisation of care. We really do not know enough about the outcomes for children in that form of care relative to other forms of care.

**CHAIR**—The question of care, having regard to the way this inquiry is going, is coming into different categories. For care for nought to two-year-olds, I think we are looking at a totally different set of factors than we are for looking at children who go in as preschoolers from two up. I agree with you; I like the French system, where once you turn three there is a place for you in a preschool. You do not have to take it up, but there is a place for every child once he or she turns three in a preschool learning environment. I think there is some talk now about perhaps having that starting at four here. I think that would be advantageous. Could you comment on that, and then I will go to my colleagues and see what questions they have got.

**Prof. Pocock**—I strongly support the provision of education orientation and care for children over two. I have talked to the French and read the literature on the French system. There are some very interesting, positive outcomes for children and very important implications for equity between different socioeconomic groups as a result of good provision of care for children over two. Of course, the key thing that raises is what happens to children and babies under two. Regardless of what you or I might personally think about it—and this is, of course, a hot debate for us as individuals and for our society—we do need, and we will always need, to be providing some forms of care that are quality care for children under two, because there will always be some parents who, for whatever reason, will be seeking some non-familial care for their children. If that is the direction in which your committee goes, it needs to face up to the provision of paid leave to support parental care for children under two, and I would be very happy to increase my bid for a 12-month leave system for parents to two years.

**CHAIR**—We are not necessarily heading in that direction. That is still a good debating point. But one thing we certainly are looking at, along with choice, is the opportunity for women to have care in their own home—and it can be called ‘nanny care’ or ‘in-home care’—as a choice. Out of our roundtable with nannies we came up with the proposition that, if a proposed nanny had at least a level 2 certificate and then registered, there would be tax relief—the 30 per cent child-care rebate or whatever—for in-home care. There are many people who say, ‘I want my child cared for in my home, not in an institution.’

**Prof. Pocock**—I think that nannies or in-home care will always be an option that some parents will choose. Many of them, however, will be at the upper level of the income scale. I do not believe it is an option that the government should invest in for five reasons, really. One is that it is not a national solution. It never will be. It is not practical. Secondly, it fosters demand when all the important problems in the Australian child-care system are on the supply side in terms of long day care places for babies, with skill shortage issues and labour turnover problems. You will not fix any of those by giving a tax benefit for nannies. Thirdly, I think it is a high-risk strategy for parents in some cases. When they lose their nanny, they lose their care and there is a lack of surveillance of nannies in homes, which is a concern for some parents.

The fourth issue that I think is very important is that it is an incredibly inequitable solution; it does nothing for those who do not pay tax or who do not use nannies. The fifth issue is: what are the outcomes for the child? Is the care going to be equivalent to and how will it rate relative to

quality group care? The research is really not there yet. I think nannies should be part of the system—and they are part of the system—but that it is a mistake, a serious policy mistake, to make it an option which government favours and subsidises by what will prove to be, if it were adopted, very expensive tax breaks.

**CHAIR**—Our evidence has shown that the sorts of people who could make use of that in-home care are shift workers; that covers people such as ambulance workers, nurses, people who work in the airline industry—a whole range of people who can never use institutional care. If you have a system of tax deductibility, people are getting their own money back and not being subsidised by somebody else.

**Prof. Pocock**—In my experience, looking at exactly those groups of workers, many of them work hours opposite a partner's. They have a shift care arrangement within their household for their care. I do not doubt that some of them may find it useful to have a nanny, but I think the five concerns I have about the nanny approach as a system remain.

**Ms GEORGE**—Leaving aside the tax deductibility argument, because that is another argument that the committee will have to grapple with, in my scenario, I cannot see what the arguments would be against expanding the system of family day care, which a lot of parents in my electorate choose, and saying, 'Well, you also have the option, if you so wish, to have the equivalent of family day care, not in the carer's home but in the family's home, whereby a couple of neighbours or a couple of people who work together might want to share that care.' I think the association with the word 'nanny' always conjures up a kind of elitist notion that it is only the wealthy who can afford it. Do you see anything wrong with the proposition that family day care ought to have that option available to families who want it?

**Prof. Pocock**—Are you saying that the family day care would go to the parents' home?

**Ms GEORGE**—Yes.

**Prof. Pocock**—I cannot see in principle why something that built on family day care would not be worth examining. But I think there are some issues around family day care more broadly that make it rather a problematic issue at present. We have a large number of family day care workers who are paid very low effective hourly rates, and I think there are significant child-care problems that affect that sector just as they do the other sectors.

**Ms GEORGE**—You mentioned the notion of choice. Is there any Australian research which has asked parents of young babies what, in an ideal world, their choice of care would be? When I look at the data, it seems to me that people with very young children are expressing different preferences to those of the over-twos. I think that more than half the care for the under-twos, or certainly for those aged under one, is carried out informally. Do we know of any research in Australia where people have had the chance to indicate the kinds of arrangements that they would think most suitable for their children?

**Prof. Pocock**—Do you mean particularly for children under two?

**Ms GEORGE**—Yes.

**Prof. Pocock**—I am speaking from memory, but the survey data that I have seen suggest that an overwhelming proportion of all Australians—I do not mean parents, I mean across the age spectrum—hold quite a strong belief that parental care should be the first option. A significant number, from memory, of people of child-bearing and rearing age would support that option. It is not the choice of everyone, however. There are significant groups for whom that is not the case. What we see is quite a strong preference for parental care at least in the first six to 12 months of life, but for a significant number of parents that preference is frustrated by the necessity to earn an income. It must be remembered that 30 to 31 is now the age, on average, for Australian women to have their first child. That is 10 years in the labour market and 10 years of household dependence on their earnings. It is a very big change from my mother's generation or my grandmother's; households are very dependent on the female earnings. When they are lost, there is a big shift in the household economy and there are a significant number of women returning to work earlier than they want to because of the absence of paid maternity leave.

**Ms GEORGE**—The issue of effective marginal tax rates has a decidedly negative impact on the second earner, but I cannot see any way around the problem of effective marginal tax rates while we have the welfare system intersecting with the tax system. Theoretically, in my head, the only way we avoid that problem, which is a marked disincentive for the second income earner to return to work, is to scrap that system and perhaps look at the option that people have presented in evidence to us—that is, that you pay directly according to the age of the child and that you pay that supplement to families in a non-income tested manner. So you would have a universal benefit, and then you would have the argument, I guess, about 'middle-class welfare'. But you would actually pay according to the age of children. If you did that, you would avoid that welfare-tax intersection. I cannot see any other way around it. Can you?

**Prof. Pocock**—Yes, it is a very important problem. We do need to be dealing with it. That approach, universality, is one way in which you reduce the disincentive effect. You will be familiar with, and in fact I think you have heard from, Patricia Apps, whose work is very convincing about the disincentive effect that Australia is applying by keeping a significant number of women out of the labour market or keeping their hours very low. We do need to be attentive to it and change our system. If you compare the way we are dealing with work and family issues in Australia now, we are spending a great deal, through family payments, and we are underproviding in terms of services. I would shift money away from the payment system into the services area, especially early childhood development. What you are proposing would be a better way of reducing the very significant disincentive. It really does play a big role in keeping our participation rates 10 percentage points below OECD averages.

**CHAIR**—That 10 per cent below is largely a married women figure, isn't it?

**Prof. Pocock**—No. If you look at the comparative OECD analysis—I cannot remember the author's name, but we have her in our list of references—we are 10 percentage points below for women of working age. It might be 20s through to 40s, I think. Yes, it would be close to what you are saying. Generally, we do have a lower participation rate than the OECD.

**CHAIR**—I know that, for both the OECD and ourselves, for single mothers unpartnered, their return to work is below that of married women, and it remains that way for their entire working life. But I thought that section of people was about the same as for the OECD and I thought the differential between the OECD and us was for married women.

**Prof. Pocock**—I think the difference is between those with children and those without.

**CHAIR**—They do come out with very different figures.

**Mrs IRWIN**—Thank you very much for such a wonderful submission. I thank you, Elizabeth Hill and the convenors of the work and family policy roundtable. There were a number of questions that I wanted to ask you, but I think you have covered it well in your opening statement, when you set out that set of principles. You suggested government funded paid maternity leave of three months for all working mothers. Do you consider the government's maternity payment, or baby bonus, as being a reasonable substitute for that?

**Prof. Pocock**—No, it is not. There is really interesting research that finds that a cash payment to mothers does not have the same effect as a work related period of leave and payment in terms of the wellbeing of children. There is a measurable statistical difference. If you have a system that supports the labour market attachment of women, you increase their capacity to take more leave in some cases, because they are not racing back to try and secure their spot in a labour market, and their households are better off through that longer life cycle attachment to work. I think they are quite distinctive policy measures. I do not disagree that a cash payment to a family at the point of a birth is not an important measure; I think that is a necessity for many families. But it is very mistaken not to read the evidence about the difference that paid maternity leave, in encouraging labour force attachment, makes to the wellbeing of the child and the mother.

**Mrs IRWIN**—In one of the points you made in your opening statement—it might have been No. 7—you said that solutions should be different for various socioeconomic groups. Could you please expand on that?

**Prof. Pocock**—My point is that what we do can have very different impacts on rich and poor and middle earners. The nanny example is a very good one. At present what we have, where we rely on employers and their realisation of the importance of the business case, for example, has a very different effect for women on high and low incomes. Quite apart from the fact that relying on that as a means for general provision of work and family standards is a very slow road to change, it means that women like me, on a high income, with a lot of autonomy at work, get Rolls Royce conditions. I am in the third or so of women who have access to paid maternity leave—up to a year now in universities. When I look at the many women I deal with who are on minimum wage, their provision, especially in the private sector and small companies, is very poor. I think there are socioeconomic differences in outcomes of almost every policy measure. If we put the child and the wellbeing of the citizen at the core of our framework, it is very important that we be attentive to the bottom half of the income scale.

**Mrs IRWIN**—I thoroughly agree with you.

**Mr QUICK**—Thank you for providing such a stimulating discussion this morning. In my previous life I was a school teacher and there was a perception that, basically, you would be working for 40 years for the firm. I have two daughters in their 20s who have had three or four jobs. This idea of casualisation is understood and taken into consideration by young people, yet we seem to have this silo mentality and mindset of employers and departments that people work for. How do we get this transition and this understanding of wellbeing so that we can implement some of these ideas?

**Prof. Pocock**—I think it is true that coming generations and people who are entering the labour market right now, like your daughters, are facing a very different labour market than we did. I am 51. The 20-year-olds really have an expectation of change and in fact some of them pursue it very energetically. Once again, there is great diversity in that experience. The year before last I interviewed a group of casual workers, and they were very diverse in their views about their casual work. For example, I remember one 24-year-old who had been a casual worker for 10 years in the hospitality sector—a very common scenario. She had been very comfortable with living on tap; the boss rang, she went to work, for the early years of her casual employment. But as she approached family formation and relationship formation, she was finding being on tap for the hospitality industry was really destructive for her household formation.

A significant group of the casual workers we spoke to, including many young people, needed two conditions before they were happy with being casual. One was a good boss that they could genuinely negotiate with and have a real two-way relationship with: ‘You take Saturday off for sport, but I need you for the following Sunday.’ The second thing is that the happy casuals, as I call them, had a back-up income, and this includes a lot of young people. They were living with a parent, a partner or someone who was on a pension and they were not entirely dependent on their income. I have interviewed many 50-year-old casual men, and that is where the growth is now, and they are not happy with their casual terms. The picture is actually quite diverse. I do not think it is all a good story, and I do not think it is all a bad story, either.

**Ms KATE ELLIS**—Firstly, I want to thank you not just for your submission but for all of the work that you have done in this field, which has very much helped the debate. I did have a couple of questions, and I am looking, in particular, at the table at the back of your submission on the key measures for a new Australian work-care regime, and the changes necessary. There are a couple in particular that I absolutely agree with you on, but I am curious as to whether you have some advice on the best avenues to achieve this change. One in particular I will look at is domestic work and unpaid care and the need for a better balance. I think most people would agree that this is an issue; the question really is about the solution. Whilst we have seen that some countries have attempted to legislate to address this, I do not know that that is necessarily feasible, and I am just wondering how you think governments can go about instigating the cultural change needed in this area.

**Prof. Pocock**—That is a really important issue and an incredibly slippery one for governments to try and encourage. I would not support the Spanish road of, on separation, the man who has not done the washing up not getting access to the children. I think that is an appalling policy attempt. This is a really important issue. Australian men, on average, do not pull their weight domestically. I have a book coming out shortly and I have published other studies that really make me rather concerned about the coming generation of young men. I do not think they are natural sharers. I think they have a lot of their grandfather’s and father’s habits, and a lot of optimistic young teenage girls think they are going to be the lucky one that gets the one who buys the dishwasher or does the washing up, and there just are not enough of them to go around. This issue is not going to go away in the short term. Governments, I think, could consider more intervention at the school level, because I think it is very important that young people get to learn how to have conversations about these things. They are going to be negotiating them, they will cause divorce in some cases where the negotiations fall apart, and I do think that it is a very important question, so I would put my emphasis on the education sector.

I think also that the time use research that Michael Bittman has led in Australia has been very important in allowing research evidence to be brought to bear, so that it does not become a matter of a 'You're bad and I'm good' debate but one of, 'Here are the numbers, gang. What are we going to do about it? This is not fair.' So we need research as well as education interventions.

**Ms KATE ELLIS**—On the issue of part-time work, you spoke about the need for flexibility in moving between full-time and part-time work. This is something we have heard a lot of evidence on. I am just curious about your views on the best way to do that and, in particular, what your thoughts are on the UK legislation in that area.

**Prof. Pocock**—I think the UK legislation, which is mirrored in various other European countries as well—in fact, it follows the European example, in the Netherlands and Germany—is very good. Their evaluations are very systematic and are all available on the web. The British are very good at evaluating what they do, which is great. Employers have embraced the provisions very enthusiastically. Very few of them have had difficulties, and the same can be said of the other countries where right-to-request legislation of that kind exists. There is very little litigation about it. The interesting question is: how much real difference does it make, because a lot of people, of course, can negotiate in their workplace to go part time, especially in the public sector and the larger companies? How many real new requests are made and granted is an unknown. From the British research it seems that a significant proportion of requests are new, and for me that kind of measure is a climate shifter. It gives workers who are concerned that they have a mean supervisor or a culture in their workplace that is anti part time a bit of a green light to have a go, with a little bit of legislative support. It is not onerous for employers, the research tells us, and it is very widely used. I am strongly supportive of that kind of provision. I am very disappointed that it is not supported in the minimum standards in the Work Choices changes.

**Ms KATE ELLIS**—I am going to keep this conversation amongst the South Australians and hand over to David Fawcett now.

**Mr FAWCETT**—I am speaking to you as a statistical aberration, being somebody who, when I am home, actually does the majority of the cooking.

**Prof. Pocock**—Good for you.

**Mr FAWCETT**—You placed quite an emphasis earlier on equity in terms of financial outcomes around care arrangements. Later in the discussion you talked about your preference for schemes that reward and encourage labour market attachment versus a lump sum payment. How would you see an equitable solution, if we went down that path, for mothers who are not in fact in the workforce and have chosen to stay home and take on the primary role of caring for their children?

**Prof. Pocock**—I do not see them as alternatives. I think it is possible that we could have a system which supported women who at the time of birth happen to be at home. That is a minority of women, at least when they have the first child, these days. But I do not think we need to pit one group against the other. It is very unproductive to do that. There is no reason why they could not have an equivalent benefit. In fact, we stack up the benefits for women at home at present, or their households, and are rather punitive towards the second earner in the dual earner household. The emphasis is the other way at present. The reality is that most women move



between these situations over their lives, and I really think it is possible to have equitable arrangements regardless of whether at a particular moment you are at home or you are in the paid labour market.

**Mr FAWCETT**—You mentioned the need for more research in terms of delivery standards for child care. You are obviously coming from a position where you believe that the for-profit sector will inevitably have lower standards because of the drive for profit for shareholders. The reality that I have come across in my experience is that the for-profit sector in some of the larger corporates, because of economies of scale, actually provide more professional development, better quality facilities and better hands on, day-to-day care than some of the groups who do not have those advantages, and they actually also pay higher wages to their staff. With longer retention, you get better corporate knowledge among your staff, better professional development and better care. I am wondering whether your initial position is coming from some research that has been done or whether that is an assumption on your behalf that is pushing you to say that there should be research done, because certainly my experience does not agree with your initial statement.

**Prof. Pocock**—I disagree with everything you have said there, I am sorry. I think we do not have enough research. That would be my first point—absolutely true. If we do look at the research we have, we had a recent study published by the Australia Institute that suggested that 20 per cent—and this is from memory—of staff in corporate centres would not send their own children to the centre they worked in, compared to four per cent of workers in community based care. That is a worry. We know that most workers in this sector are there because they care about kids and the care they provide. One in five not wanting to use the centre that they are employed in is a worry. That report, which is about six weeks old, goes to the question of toys, food, labour turnover, and all of the data. This is a survey of workers in corporate and community and small privately owned centres. All of the data runs contrary to what you said. This is not just some kind of ideological position of mine, although I would certainly be willing to debate that as well. The empirical evidence we have suggests we should be having a closer look at this. We have larger problems for the whole sector, but I think the corporate issue is important for us to be considering.

**Mr FAWCETT**—I would be interested to have a look at that one. Is that something that is going to be provided to the committee as a submission?

**Prof. Pocock**—It is able to be purchased from the Australia Institute in Canberra. The author is Emma Rush.

**Mr FAWCETT**—We will note that one down. You disagreed with my last statement; I would like to disagree with something that you said before. You implied that there will be more pressure on people in terms of flexibility because of the Work Choices legislation. Again, I have been out consulting fairly broadly around my electorate, asking people who have implemented individual agreements just what impact that is having, and particularly trying to speak with workers as opposed to just the employers. What I have found is that, even in small businesses in the retail and hospitality sector, the ability to have a higher standard hourly rate of pay, as opposed to overtime loadings for weekends, has actually decreased friction amongst the staff and people have found far more willingness and flexibility within the staff and with the employer to be able to move working responsibilities and hours so that they can match up with sport, caring

responsibilities or other things. The feedback I have had is that people have found it has increased their flexibility and taken a deal of pressure off, because for a given income over the week there is not the pressure to work some of the weekend or other more antisocial hours, and they are happy to swap those around. Again, the experience that I have had of speaking to people is that it actually decreases some of the pressure and does increase flexibility. Albeit I would agree with the study that you talked about—that it does require an employer who is happy in good faith to actually enter into negotiations with the staff. Again, I would have to say the majority of employers I have found out there fall into that category—not all, but the majority.

**Prof. Pocock**—I certainly think not all would fall into that category, from my experience and from the data that we have. Individual agreements, if we look at the data on them, are incontrovertibly less family friendly in terms of their access to annual leave, long service leave and sick leave—the fundamentals for working carers. Something like 12 per cent of AWAs between 1995 and 2000 had any work and family provisions, and a very small proportion in 2002-03 had family or carers leave—way less than in collective agreements. Only eight per cent had paid maternity leave and five per cent had paid parental leave. All of that data suggests that AWAs are family unfriendly. I must say that I am very concerned about the provision now in the—it is not a ‘no disadvantage test’—minimum standards in agreements that make it much easier for workers to be employed without any compensation for unsocial working time. It is a real problem for us. There is a growing body of research that says that unsocial working time and long hours are associated sometimes with ill-effects on the health of the worker. Recent research in Canberra says that those ill-effects can be measured in the outcomes for children. I am quite worried about the unsocial working hours. I agree with you that there are certainly cases where there are workers getting what they want, getting that fit that I referred to earlier. But I think there are many cases where that is not the case.

**Ms GEORGE**—David has some examples of positive outcomes, but I am sure that others around the table could highlight and point to many examples of much worse outcomes. All of the empirical data shows that in terms of family-friendly conditions collective agreements have always provided better outcomes. One of the things that concerns me—and Pru Goward reinforced this point when she made a submission to the committee—is that, in light of the IR changes, there needs to be ongoing monitoring to see what the actual impacts are going to be, particularly in terms of family-friendly provisions. One thing that worries me is this: as we move further to individual outcomes, how do we as a nation provide the underpinnings so that a woman, regardless of where she works, is going to have access to basic entitlements that make the balance between work and family life something real and not just empty rhetoric? In the past we have, for example, on maternity leave or carers leave, relied on the industrial relations system and the commission—and equal pay is another example—to provide the test standards that then flowed on to other sectors of the economy. In this more quasi-deregulated IR system, how are we as legislators going to ensure that we do not have these very unequal and inequitable outcomes depending on where women are located in the workforce?

**Prof. Pocock**—The evidence in the wages system at least is of widening inequality even pre Work Choices. The work of Peter Saunders at the University of New South Wales demonstrates that in the wages and labour market area. There is no getting away from the fact that we are going to have growing inequality because the top of the labour market has taken away at such an extraordinary pace. We have a banker being paid \$21 million for a year’s work. At the bottom end, I am interviewing cleaners, child-care workers and hotel workers who are paid \$14 an hour

or less. I think the key issue that you are raising is the issue of minimum standards. At present we have a system at the federal level that has greatly weakened the capacity for the establishment of federal standards. It actually steps back from the federal standards established in the family leave test case last year, which we have already talked about in relation to right to request. If we want an equitable arrangement that makes sure that we do not leave behind a good 30 per cent of low-paid workers, many of them women, we need good minimum standards that go to questions like right to request, minimum wage, security of employment and paid leave. I think they are all really important provisions and we need national minimum standards.

**CHAIR**—On a slightly different tack, I refer to the contribution that women are now making to the economy as a whole. Have you done any work in that area?

**Prof. Pocock**—Within 10 years, the labour market predictions tell us, they will make up more workers than men in the labour market. They are heading for pretty close to half in the next few years. They are holding up half the labour market, essentially. We know from the analysis of unpaid work and carers work that they are holding up a great more than that. They are undertaking many billions of dollars. I do not have the proportion of GDP, but the calculation has been made of what is contributed in terms of unpaid work by women. It is critical to our economic functioning.

**CHAIR**—We should leave out the unpaid work for a moment, because if you are going to go down that route you also have to count in the amount of volunteer work that is done, too. Our society could not function without volunteers. I often call this the mortar that holds the bricks together of the edifice. A lot of unpaid work goes on, not just in the home but in the community as a whole. If we stick to paid work for a moment, there was an interesting article in the *Economist* that said that in Asian economies for every 100 men in the labour force there are now 83 women, and that this is higher in OECD countries. It goes on to say that women have been particularly important in the success of Asia's export industries, typically accounting for 60 per cent to 80 per cent of jobs in many export sectors, such as textiles and clothing. They assert that in developed countries women produce just under 40 per cent of official GDP. Again, they say in the article that, since 1970, when new full-time jobs are created, women take two out of three that are created. Have you done any research along those lines?

**Prof. Pocock**—There is a great body of research in Australia which demonstrates the growing participation rate of women, and their increasing contribution across a range of industries and occupations, although Australia still remains a fairly segmented workforce by gender. If you look at who is acquiring skills in our economy at present, women outnumber men. They are investing very heavily in their skills—engineering, science—throughout the professions and vocationally as well. I think the Australian picture is very much in accord with the kind of picture you describe from the *Economist*. We are in serious danger of squandering the investment that women are making, for example, in their skills if we do not support their participation around their caring.

**CHAIR**—We need a return on that investment as a nation?

**Prof. Pocock**—Yes. Women seek it because they get great enjoyment from their work in many cases as well.

**CHAIR**—In all of the discussions we have we talk about family-friendly policies and family-friendly workplaces. Is there a distinction between a family-friendly policy and a woman-friendly policy or a mother-friendly policy?

**Prof. Pocock**—I find it more useful to talk about policies that allow people to combine work with their larger life. I do not think we should focus only upon women. I do not think we should focus only upon families as traditionally defined. The nature of our household structures is changing so significantly at present with growth in sole-person households, sole-parent households and so on that I really think we need a work-care regime that embraces the diversity of household types and the many transitions that people make over a life cycle. That said, I also think we have limited resources that we have to be specific about and prioritise. Women, in reality, are the main carers of the most needy dependants, whether they are babies, the aged or people with disabilities. I think there are good arguments for having some specific thrust to policy. What we do in facilitating work-care regimes for women will be of benefit to men and to the larger group of workers, in my view.

**CHAIR**—Perhaps I can rephrase it this way: our birth rate is declining. There has been a very steady decline since 1950, really; 1961, of course, was the end of the baby boom period. If we are going to encourage women to have more children, until men are actually going to have them, it is women we have to convince that we want them to have them. Don't we have to target policies that are attractive to them and say, 'Well, here's a policy that will make it attractive for you to have another child or have one child'—at the moment we have got a very big percentage of people who may not have a child at all—'and this will also enable you to fulfil your paid working life experience with the skills that you have acquired,' as distinct from saying that we are going to target everything on a unit of people where there may be nothing that says, 'You are able to go out and work as well and have that fulfilment.' The reason I am asking that is that, if you look at the birth rates in countries such as Spain, Italy and Greece, very paternalistic societies where there is very little part-time work, women are simply walking away and they are just not getting involved because they know when they get into marrying and having a child that their personal fulfilment, if you like, in the sense of being able to work and use the skills they have acquired, comes to an end. It is the same in Japan.

**Prof. Pocock**—There are certainly plenty of examples where, as you say, inappropriate arrangements are associated with low birth rates. The OECD has been doing a lot of research on this area and it is very useful. It points to the fact that there is not a contradiction between high participation rates and high fertility rates. There are countries that have both.

**CHAIR**—But they are very liberal democracies where it is acceptable to have a child outside of marriage, where it is acceptable to have a career as a woman as distinct from the family life. Where you have liberal democracies you do get a higher birth rate than you do in a very paternalistic society. That is why I am saying: is it politically correct to talk about families but not to talk about women?

**Prof. Pocock**—I think we need to talk about women as well, especially if you want to have a very specific conversation about birth rates.

**CHAIR**—That is part of our terms of reference.

**Prof. Pocock**—The cultural issues that you are referring to—let us just talk about women—are important. The kind of environment that German women find themselves in versus French do result in significant decision differences around fertility. But the key thing is not only the culture. The OECD research says it is the arrangements. If you have a tax system that is punitive towards second earners, if you have a child-care system that relies on maternal care, if you lack paid parental leave, these are real issues that the OECD recommends underpinning the joint high participation rate and high fertility rate. We have to look at the policy interventions, because it is incredibly difficult for us to change our culture. We have a culture that is highly supportive of maternal care, which affects the decisions of some women. They feel they have to choose between being a proper mother and a proper worker and they come down on the side of the latter.

**CHAIR**—That is why I am saying: do we need to talk about some policies that are targeted at women specifically?

**Prof. Pocock**—I think there is a political level for that discussion, Mrs Bishop, and then there is a policy level.

**CHAIR**—The policy is political policy. Let's get real. Governments make policy, so it does not happen in a vacuum.

**Prof. Pocock**—If you want traction for a better work-care regime in the larger community, it is sometimes sensible to locate benefit for women within a discourse about larger benefits for the whole society.

**CHAIR**—So we are being politically correct for everybody?

**Prof. Pocock**—Yes.

**CHAIR**—Men would not like that; is that what you are saying?

**Prof. Pocock**—I have talked to a great number of young men and middle-aged men who plan to spend time with their babies, but it is going to be contingent on their having access to some leave. Not all of them are going to be in the kind of flexible workplaces that would facilitate that. There are some commonalities that policy can meet, but I do think there are particular issues that do affect women. They push out babies, they breastfeed and they do early care, and we need to recognise that in our policy regime.

**CHAIR**—I have definitely seen a change in particularly older fathers in second or third marriages—for example, they can be in their 60s and having children. They seem to want to stay at home and be with the child, which they would not have dreamt of doing in the first marriage or the second marriage. Why do you think that is?

**Prof. Pocock**—I think experience is a great teacher. It may cost you a relationship or so before you get around to realising how important some of those care-sharing issues are. I recently talked to a group of young people, 15 through to 18, and the boys in that group overwhelmingly said that they wanted to be different kinds of fathers than their father, especially if their dad was very work centred and did long hours. They want to be with their kids, to be part

of the care, but they use the language of contingency: 'I will do it if my boss lets me.' That is why I think we need measures that support that choice in a meaningful way. If they hit a supervisor or a culture in a workplace that is going to view that kind of use of leave as a career stopper, they will not put their hands up. So we need provisions which support their choice.

**CHAIR**—The problem with that is that women give us evidence that if they do take that leave and they have the child their careers plateau because they are not totally committed.

**Prof. Pocock**—Yes.

**CHAIR**—What you are saying is, then, if men are not totally committed, too, maybe you are evening it up a bit. Is that what you are saying?

**Prof. Pocock**—We need to review the notion of what a proper worker is. Increasingly, it is not someone without care responsibilities, and of course that is mostly women. I think the more men who have that experience, the less likely it is that the cards are going to stack up so seriously as they do at present against women who make use of family-friendly measures. I think it is a big cultural problem that we face that is particularly difficult for many women.

**CHAIR**—There is another statistic that is very interesting, though, and that is of men on Newstart; by far the majority of them are unpartnered men. Very few, or a quite small percentage of, married men are actually on Newstart. In other words, it tends to indicate that, if men are married, they seem to remain in the workforce, for whatever reasons are the drivers, presumably their family, than men who are unpartnered.

**Prof. Pocock**—You have to be careful about reading those correlations that way, though, don't you? They may be unemployed because their relationship broke down. You have to be a bit careful about drawing causal relationships between those two sets of numbers.

**CHAIR**—I think that does take into account people whose relationship has broken down. I think that is a very real factor. Thank you for giving so much of your time, which we do appreciate.

Resolved (on motion by **Ms Ellis**, seconded by **Ms George**):

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 11.52 am**