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**HOUSE OF
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STANDING COMMITTEE ON FAMILY AND HUMAN SERVICES

Reference: Balancing work and family

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON FAMILY AND HUMAN SERVICES

Friday, 30 June 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, Mr Cadman and Mrs Irwin

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.

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Committee met at 9.22 am**ELLERY, the Hon. Suzanne Mary, MLC, Western Australian Government****PURCELL, Ms Claire Louise, Senior Labour Relations Adviser, Department of Consumer and Employment Protection**

CHAIR (Mrs Bronwyn Bishop)—I declare open this public hearing of the House of Representatives Standing Committee on Family and Community Services for its inquiry into balancing work and family. This morning the Hon. Sue Ellery MLC will brief the committee on what the Western Australian government is doing to support work and family balance on behalf of the Minister for Employment Protection, the Hon. John Bowler MLA. The Western Australian police commissioner and representatives of the Police Service will give evidence about the impact of family demands on its 21st century recruiting strategy. They will be accompanied by a representative of BHP Billiton, who have been working with the police on workforce retention in regional and remote areas.

We will also hear from children's health expert and former Australian of the Year, Professor Fiona Stanley, on how we can best protect the wellbeing of children when families face many conflicting demands on their time. This hearing is open to the public, and we will be hearing also from two individuals about their personal experience. A transcript of what is said will be made available via the committee website. If you would like further details about the inquiry or the transcript, please ask any of the committee staff here at the hearing.

I welcome the witnesses. Do you have any comments to make on the capacity in which you appear?

Ms Ellery—I appear in the capacity of representing the Hon. John Bowler, who is the Minister for Employment Protection.

CHAIR—We do have your submission, for which we thank you, but of course it was given soon after we called the inquiry so it is dated 2005. I have no doubt that there are things that you want to bring us up to date with in making an opening statement.

Ms Ellery—Indeed. Thanks very much, Madam Chair. I appreciate the opportunity to appear before the committee this morning and, on behalf of the West Australian government, can I welcome you to sunny Perth.

CHAIR—You need the rain, too!

Ms Ellery—Yes. I thought it might be useful to the committee, in addition to updating you on how things have changed since our submission was filed, to add my personal circumstances to the picture that the committee is going to paint. My 72-year-old mother has significant disabilities as a result of a motor vehicle accident 13 years ago. She lives at home with my father, who still works, and we are supported by carers during the day who assist her with showering, dressing, that sort of thing. When my father has to travel for business, which he does quite regularly, I provide the majority of care for her, so I take responsibility for the provision of

her care. I provide respite for him every Saturday, and when he gets much longer respite, for two weeks at a time, I assume responsibility for my mother's care.

I am also, obviously, as the committee is aware, a member of parliament and I am Parliamentary Secretary to the Attorney-General and the Minister for Health. Committee members would be aware that, as members of parliament, sometimes we have great flexibility in terms of how we manage our hours, and sometimes we have none; so I, indeed, understand the struggles of balancing family responsibilities and I think it is useful for the committee to make a point of acknowledging what I think is clearly going to be a growing trend, and that is that, as our population ages, we are all going to have to assume greater responsibility for elderly relatives. Of course, it is also worthy to note—although my two brothers would object to this—that I am one of three, I am the only girl, and I assume the majority of responsibility to assist my father. I thought that might be useful to the committee, because family responsibilities happen in all sorts of shapes and sizes and to everybody, no matter what position you hold.

Mrs IRWIN—I think that is one culture that will have to change. We will have to educate the men first.

Ms Ellery—I am doing my best, but—

Mrs IRWIN—Congratulations!

Ms Ellery—Thanks. If I can add to the details of the submission that the Western Australian government made last year: we have an active commitment to addressing the issue of better work and family balance, and what I want to do today is to outline an update on some of the initiatives the government has taken and I do want to raise our concerns about the impact that the new industrial relations law may have on how Australians, and particularly Western Australians, manage their work and family.

One of the critical points that was raised in our submission was the need to assist employees in combining work, child rearing and other family responsibilities such as elder care, and we talked in the submission about flexible work arrangements being introduced, but it is still the case that many workers are denied access to the flexibility they need.

We have taken some action quite recently. Indeed, the bill has been passed by both houses and needs to go back to the assembly. The Labour Relations Legislation Amendment Bill 2006 strengthens the Western Australian Minimum Conditions of Employment Act to provide greater minimum employment standards for working people. It does that in a number of ways. It enables employees to request additional leave, and employers will be required to agree to such requests unless there are reasonable grounds not to do so. That additional leave is an extra 52 weeks unpaid parental leave, bringing the total up to two years, and an extra seven weeks simultaneous unpaid parental leave so that the employee and their partner can both be at home for eight weeks after the birth, which I think is an important step to take to assist fathers, who increasingly are wanting to be playing a much more active role in their family responsibilities.

CHAIR—Did you say both are unpaid leave?

Ms Ellery—Yes.

CHAIR—So seven weeks for the father?

Ms Ellery—Simultaneous, yes, because you would be aware that some provisions in the past have talked about not being able to take the leave if the other parent was taking leave at the same time. In addition, employees will be able to request to return to work after parental leave on modified working arrangements, such as part time or more flexible hours. The act will also be amended to enable long-term casuals to take unpaid parental leave.

That is an area which could be the subject of an inquiry all by itself, because there are casuals who are real casuals, whose employment is very short term, then there are other casuals who work for long periods of time; so it is to enable long-term casuals to take unpaid parental leave, enable unused sick leave to accrue from year to year, extend—

Mrs IRWIN—What were you saying about the sick leave?

Ms Ellery—To allow it to accrue from year to year, which had not previously been included in the Minimum Conditions of Employment Act.

CHAIR—But that is for full time or part time because casuals do not get sick leave.

Ms Ellery—Sure. Extend bereavement leave to cover the death of siblings and grandparents and enable an employee to access up to 10 days paid carer's leave each year. The current maximum under that act is five. Carer's leave will also be extended to cover unexpected emergencies; enable all employees including casuals to access unpaid carer's leave where they have no entitlement already to paid carer's leave or where they have exhausted their paid entitlements—that is, extending that to all employees, including casuals—and prohibit employers from pressuring employees to cash out annual leave.

We believe that these new minimum conditions will provide a much stronger safety net of minimum entitlements to assist workers to balance work and family. Most recently, literally in the last 10 days, the Western Australian Industrial Relations Commission has awarded a \$20 increase in the minimum adult award wage and the state government supported the granting of that increase to the lowest paid workers.

One of the things we referred to in our submission was pay equity and gender gap in wages. Our submission discussed the report on the review of the gender pay gap in Western Australia. We currently have a gender pay gap of 26 per cent, which is the largest in Australia. There are a number of different factors that might contribute to that. Nevertheless, the report identified multiple factors that we could implement to address that. They included making some changes to legislation, voluntary strategies, such as pay equity audits, and training to build women's human capital.

One of the key recommendations was the establishment of a pay equity unit. That has been put in place now within the department of employment protection. That unit will drive the implementation of the recommendations from the report. They were outlined in the submissions, so I will not go over them again. They are currently engaged in developing a model pay equity audit tool to use within the public and the private sector. They are developing a resource package

on pay equity, setting out best practice guidelines for employers to use, including case studies and analysis of the recommendations of the review.

In February of this year we hosted the Work Life Balance Conference here in Perth, which attracted local, international and national keynote speakers. It was a very positive conference. Some of the key issues that arose from the conference included what I referred to earlier—that is, that the ageing of the Australian population is making flexible work arrangements essential, not only to entice mature age employees to remain in the workforce, but also because we are having to assume responsibility for providing care for our ageing family members.

The conference noted that while Western Australia, and indeed Australia, had made significant progress on work-life issues, it was still the case that we lagged behind many of our international competitors whom we might normally benchmark ourselves against; and that having real work-life balance, as opposed to work-life balance in name only, needs more than just flexible work policies. It is about changing workplace culture and ensuring that management is seen to actively support employees rather than just pay lip service to it.

As I indicated, that conference promoted the issue of mature age employment and in late 2005 we launched the Mature Age Employment Strategy for Western Australia, which is designed to raise awareness of the impact that an ageing population is having on our workforce in terms of labour and skill shortages.

I want to turn finally to the issues that we think arise out of a consequence of the Work Choices industrial legislation. In particular, we are very concerned about the removal of a no-disadvantage test for agreement making. We said this in the submission, but it is useful to reiterate: we saw a similar form of legislation in Western Australia in the 1990s, where we had individual agreements introduced that had what most generously might be described as a bare minimum of mandatory conditions sitting underneath it.

What we are particularly concerned about is that what will happen nationally will mirror what happened in Western Australia—that is, that that system will reduce wages and employment conditions and drive them down. The workers most affected by that will be those in low-paid industries, who are predominantly women. The sorts of industries that we saw affected by that in Western Australia were cleaning, hospitality and child care in particular. I could add aged care and probably retail to a certain extent. In addition, changes to unfair dismissal laws and the removal of the unfair dismissal protection from a large percentage of the workforce we think will have a significant impact on job security.

One of the terms of reference of your inquiry is to investigate the financial, career and social disincentives to starting families. We would be concerned that the absence of job security may well of itself be both a financial and a career disincentive to starting a family. Our experience in Western Australia in the 1990s, under the legislation that was introduced in 1993, is that individual agreements really disadvantage vulnerable workers with no bargaining power and erode their existing pay and conditions of employment.

Research conducted by ACIRRT in 2002 found that, of all of the agreements surveyed—these were Western Australian individual workplace agreements—56 per cent paid a base rate less than award minimum rates. A further 31 per cent paid only \$1 or less more than the hourly rate

and nearly 50 per cent had annual leave rolled into the rate of pay, which meant employees had no paid annual leave time to spend with their families. The impact on families of reduced wages can be significant. Employees either must work longer hours or accept a reduction in the standard of living for the family.

There is a double whammy in this for families, because as the pay rates in those human services that families use to assist them balance work and family—like child care or home care, which is the service that my family uses, or aged care—are forced down, the stress that you add to families is concern that the people who are looking after the most vulnerable in their family—that is, the disabled, the children or the aged—are in fact being paid lower and lower rates of pay. That of itself adds stress.

It is also useful to note for the committee that there was a recent OECD publication, *Employment outlook 2006*, which was a report in which the OECD found that centralised wage bargaining reduced unemployment while the minimum wage level had no significant direct impact on unemployment. We think that is a telling finding because lots of the language around the introduction of the Work Choices legislation was about how it would ensure high employment levels.

Our experience, as I have said, under the legislation that was in place here in the 1990s, makes us determined to lessen the impact of Work Choices legislation on Western Australian workers. You would be aware that we have joined with other Labor states in a High Court challenge against the laws. We are also taking direct steps to strengthen the entitlements for employees and their families through the labour relations amendment bill, which I have already canvassed.

The government's position is also to note that—although if you want to know more about this I would refer you to Claire, because this is not an area that I can talk on in detail—we are concerned that the federal independent contractors legislation may have significant effects in lowering the amount of protection that is available to those people who operate as independent contractors, whether they are actually independent contractors or not.

That is all that I wanted to say by way of an update to our submission. Again, I thank you for the opportunity of appearing before you today.

CHAIR—Thank you very much. We are grateful for that additional submission. We might come back to your new labour relations act, and I will put on notice that it sounds like it might be a little bit like the English legislation.

Ms Purcell—I suppose it is somewhat like the UK legislation—the employment bill. The right to request model that we have put into the legislation—the right to request additional parental leave and the right to request modified employment conditions on return to work—is based on the ACT family test case provisions that were handed down. That was the right to request model that we used as the basis for the new legislation.

CHAIR—Do you feel that that test case, now that Work Choices has been enacted, is irrelevant?

Ms Purcell—It will have a lot less effect on a lot less people, certainly.

CHAIR—I want to go to financial disincentives and loss of income, which is part of your original submission, because I think the points there are still valid. I think it is very interesting that this morning the *Australian* has chosen to have virtually a whole lift-out on how women are faring in the practice of law. Fifty per cent of all graduates in law are women and yet only 22 per cent of partners in law firms are women. If you read many of the articles and, indeed, listen to a lot of the testimony that we have taken over the course of this investigation, it seems that once women decide to have a family, despite the fact that they return to work quickly, their careers plateau. They are seen, once they have children, to no longer have the same commitment to the five or six days a week that their male counterparts have.

We have made a big investment in those women and we need a return on that education investment to our community as a whole, but we seem to be continually putting impediments in their way with regard to taxation relief to enable them to make arrangements that are suitable for them, such as in-home care attracting a tax deduction. Indeed, a submission today from one of our individuals annexes a copy of a letter from the Treasurer saying that were tax deductibility to be made available the people that would benefit most would be high-income earning women.

Ms Purcell—Yes.

CHAIR—That seems to me to be a real catch-22. We want them back in the workforce but we are not prepared to give them an incentive on the basis that somehow we might be advantaging them, when the reality is they are going to pay more tax. In the course of that survey that you did, did you pay any attention to that sphere of women who might be called high-income earners? Interestingly enough, later in the day we will hear from one of our individual submitters, who is a man and who is the carer for his four children and has the same problem that women face on a regular basis. He is a man putting the same case. I think we can say it is equity we are really talking about.

Ms Purcell—Sure.

CHAIR—Did you pay much attention to that?

Ms Ellery—I will have to ask Claire about who was caught in the survey.

Ms Purcell—The *Work-life balance survey* we did in 2004 did not have a focus on those particular types of women that you are talking about. It was more to get a general feeling of what the issues were on work-life balance, so the data was not able to be aggregated to that type of level. We did gender aggregation, type of arrangement and industry of occupation. No, I cannot say that we found that there were particular issues with professional women as such that came out of that survey, although certainly things point to exactly what you are saying. It is an issue. Income and the effect that tax has on high income is also a disincentive to study.

Ms Ellery—Claire, did the survey include women in public sector administrative positions? Some of them would be quite highly paid.

Ms Purcell—It did. We only had approximately 2,000 respondents to the survey, and it was across the board public and private sector, but unfortunately there was not enough of a respondent level to aggregate it down to that level.

CHAIR—That is unfortunate, because we could do with some data. In this whole debate what I am picking up is a willingness to discount this class of women because somehow they are not entitled to be considered because they are high-income earners, and yet more and more we are going to see households in which the woman is the dominant wage earner. You make that point here. You say:

Women in professional, highly paid occupations may suffer an additional disincentive to leave the workforce to start a family due to the significant wage differential between working and non-working income. Women who earn a higher income than their partner may also be less inclined to withdraw from the workplace to start a family.

I think we need some more research on that.

Ms Ellery—We know anecdotally that that is absolutely the case. I wonder if the Law Society or organisations like that may have done some of that work about their own membership.

Ms Purcell—We are intending to run a repeat of the *Work-life balance survey* later this year and we will be doing some refinement on what the questions are. Having done one survey and looked at the information we got, we intend to refine the questions. That is one area we will look at, to see what information we can get. The aim this time around, because it has been so valuable, is to try and get a much wider respondent base and increase the number of respondents to the survey to get some more data.

CHAIR—The other thing that I found interesting was when you were dealing with casual employment. You said:

For casual employees, starting a family often means losing a job. One in three women are working on a casual basis with no guarantee of ongoing employment. In 2004 24% of male employees and 32% of female employees were casual.

Did you have in that research a breakdown of the age range of those people in casual employment? Are they in that sort of 20 to 45 bracket?

Ms Purcell—We did ask for age. I do not have that data with me. We could look through the survey data and come up with some more information on age versus casual.

CHAIR—Could you do that.

Ms Purcell—We certainly can. One thing that we did find out was that there were definitely two groups of casual employees. One of the questions the survey asked was, ‘Would you prefer to be part time?’ Basically, ‘Would you prefer to have leave entitlements in lieu of a reduced pay rate?’ and it was approximately fifty-fifty as to who said yes and who said no. There was obviously a group who were very casual, and being casual suited them, and there was a group that said, ‘No, I prefer to be part time and have the stability and have the paid leave entitlements.’

CHAIR—Did you ask the next question: ‘What are you doing about moving from casual to part time?’

Ms Purcell—No. That was not part of the survey.

CHAIR—I think that is quite important. If they are in the workforce and they have experience in casual work, they are quite marketable. They are in a good position to go on and find a part-time position, I would have thought. If you are going to do the survey again, that would be—

Ms Purcell—Absolutely.

CHAIR—On the corporate culture question:

Working arrangements and corporate culture can also provide a major disincentive to starting a family. Women in particular who work in professions or organisations that are not family friendly have the dilemma of knowing that achieving a balance between work and family will be hard or some cases impossible. A lack of flexible working arrangements, and/or a culture that focuses on long hours and corporate loyalty above all else can lead to employees having to choose between work and family, rather than establish a balance between the two.

Within our system we have the concept of the government being the model employer, the model litigant, modern in terms of behaviour. What is the experience, either from the survey or anecdotal, about government behaviour towards its senior employees?

Ms Ellery—Claire might add something if the survey canvassed that. It is certainly the case that we have taken steps as the model employer to put in place a range of measures. DOCEP—the minister that I am representing today—was one of the first public sector organisations in Western Australia to put in place a family-friendly room in the actual office so that people could bring in sick children. The room was set up with facilities for the child but also had a workstation in it so that the parent could work in that room while they had their sick child with them. That was quite an important step forward.

CHAIR—How did that go with occupational health and safety, bringing in germs and disease that could be distributed through the airconditioning, for instance?

Ms Ellery—I think the germs and diseases are there anyway!

Ms Purcell—There were a number of issues with that. We have a list of diseases and if your children have any of them you cannot bring them in, and you have to sign a declaration to say, ‘No, I don’t think my child has anything rampantly contagious that’s going to go through the airconditioning.’

Ms Ellery—Also, I have certainly worked in organisations where there was a completely unstated but absolutely existing kind of competition, where whoever got there the earliest in the morning was the most dedicated and the most committed to achieving, and it is that kind of culture which does not necessarily assist women who have to drop off kids and all the rest of it before they get to work.

CHAIR—There is one other initiative that we have discovered is quite interesting, and that is the question of salary sacrificing for child-care expenses. When we took evidence from the Australian Taxation Office last week, there was in fact evidence given that even the tax office is allowing their employees to salary sacrifice for child-care expenses. They have a list of what is allowed re salary sacrifice: super, cars—many things—and child-care expenses. We are all aware of the fact that the Department of Human Services is about to roll it out for Centrelink and other

agencies allied there, which will be covering something like 38,000 employees. We now find that probably Defence will do it.

The tax commissioner made a public ruling which defined premises for the purpose of getting an exemption from fringe benefit tax. Once you get that exemption, salary sacrificing becomes a real goer. It is the equivalent of getting a tax deduction, because you are paying for your child-care expenses with pre-tax dollars. The tax office is doing it and yet it rules that you may not have a tax deduction for your child-care expenses because it is not satisfying two tests, one being 'sufficiently nexus to the production of assessable income' and secondly that it is for private purposes—they say—and yet they have contrived a system that circumvents their own ruling, which has subsequently been upheld by the High Court.

Ms Ellery—It is an extraordinary contradiction.

CHAIR—It is amazing, and I am wondering whether or not anybody in the Western Australian government has taken advantage of the ruling and, indeed, has set up salary sacrificing for, dare I say it, high-paid women in particular.

Ms Ellery—We certainly have salary packaging in place in a range of areas in government employment. I am not sure whether child care is on the menu. If we do not know now, though, we could probably find out.

Ms Purcell—As far as I am aware, there are no government agencies who are doing that, who are taking advantage of it, but I will confirm that.

Ms Ellery—We can certainly investigate, because there are a number of government agencies where salary packaging is in place.

CHAIR—Would you mind giving us a list of ones that have it in place and whether or not you are finding there is any push, that people think this is a fair thing to do? What we are seeing is that the government is saying, 'We will give CCB'—child-care benefit—and now the 30 per cent tax rebate,' and it is set at 30 per cent because 30 per cent is the equivalent of tax deductibility for 80 per cent of taxpayers. It is capped, of course, at \$4,000 for out-of-pocket expenses. Yet, high-earning people in privileged organisations, you might say—and two banks are doing it as well, that we know of, because we took evidence about that—are effectively getting tax deductibility for their child care. I approve of it happening; I just want everybody else to have access to it.

Ms Ellery—Yes. As I said before, it is an extraordinary contradiction, and it is to be commended that the ruling has been made that way, but how can you say that on the one hand and then on the other hand say—

CHAIR—There is the next problem. It is a ruling, and the tax commissioner can change his mind if he wants, so I am pushing for it to become government policy and enacted so that it cannot be the whim of the commissioner that gets rid of the practice. The tax office tried to tell us they had got out of providing child-care facilities for their employees, but when we drilled down a little bit more—because they happened to come back before me a couple of days later—guess what? The ABS had taken over one of the child-care centres, so the children were still

eligible because it is a related entity under the act. I think we need to find out just what the pressure is here for government.

Ms Ellery—Sure. We will undertake to provide you with that information.

CHAIR—Thank you very much.

Mrs IRWIN—Have you got any on-site child-care centres at all?

Ms Ellery—Yes. Princess Margaret Hospital is one that I know of, and there may be others. We could find that out for you. There is also Sir Charles Gairdner Hospital. Princess Margaret is the major children's hospital. Sir Charles Gairdner is one of the major tertiary hospitals. They run a child-care referral service, and there is a child-care centre maybe around the corner. I could check on that. But, rather than having an on-site centre, they provide assistance to people looking for child care, whatever form that might take, whether it is how to get a home nanny, how to find child care where you live or how to find child care near the hospital, that sort of thing. Claire might be able to tell you if there are more on-site centres, but Princess Margaret is the one I know about.

Ms Purcell—Yes, the hospital is the only one I am aware of in terms of the government agencies who have done that, although there is, as Sue said, a strong push to actually assist people with child care.

Mrs IRWIN—Claire has mentioned tax deductibility, tax rebate and salary sacrificing. What we are hearing from some people—also in their submissions—is that they think the higher the income you are on, the better to have, virtually, a tax deduction, because it would only suit those people. A lot are saying that they want fairness, that there should be an above-the-board tax rebate or salary sacrificing. What is the one that you would prefer to see?

Ms Ellery—I do not know that the Western Australian government would have a policy position on that. I suppose I could express a personal view, but I probably should not. I am happy to see whether in fact we have a policy position, but I do not think that we have. I am happy to check to see if there is a view.

Mrs IRWIN—You were saying that the WA public sector workers are entitled to seven weeks paid parental leave. Is that correct?

Ms Ellery—Yes, and we made an election commitment that we would increase that to 14 weeks.

Mrs IRWIN—What is the take-up of paid parental leave for fathers? Have you got any idea?

Ms Ellery—I am not sure. Do we have the numbers?

Ms Purcell—I do not have the numbers off the top of my head. Because it is done on an agency by agency basis we do not actually keep a central register.

Ms Ellery—For the major public sector employers we might be able to find out. Education and Health would be the two major employers. We might be able to find out for you.

Ms Purcell—We can certainly try and gather some data on that and see what the take-up rate has been. It is currently eight weeks. This year it is eight weeks paid leave. It has been incrementally increased.

Mrs IRWIN—Are the working mums here in WA finding it hard to find good-quality child-care centres? Is there a waiting list?

Ms Ellery—It depends where you are. We have areas of rapid growth where it looks as if houses are popping up every 30 seconds. Those areas are struggling. There are other areas, closer to the inner city, where it is not such an issue.

Mrs IRWIN—Can you describe for me how you perceive a family-friendly workplace?

Ms Ellery—That is a really good question. It would not be parliament, that is for sure. We would take the view that there would be a range of measures in place for people so that there were conditions of employment, as a result of agreements or awards—so set out in law—where you have certain entitlements. They would include some of the things that we have put in place already. A family-friendly workplace would have those things enshrined in law by way of an EBA or an award.

The workplace would also have to have in place real measures to challenge the culture. of what ‘family friendly’ actually means and how taking advantage of family-friendly measures does not make you any less committed to achieving the organisation’s commercial or service objectives. It would be a combination of those two things, I think, because it does take real leadership to challenge that culture; that making use of your carer’s leave for dealing with a sick child or attending a school performance does not make you any less committed to the organisation’s objectives.

Ms Purcell—Can I add this personal anecdote. I work for the Department of Consumer and Employment Protection in the policy area where we talk to people about family-friendly working arrangements. That is one of the things we do: push government policy, write submissions and so forth. I am working part time in a fairly senior position and I find that what it takes is management support for me to do that: acceptance that, yes, I am going to be in at 9.30 every morning because I have to drop my son at school and that there are times when I have to juggle my hours.

I can be flexible and the management can be flexible. It is about accepting that, ‘Yes, Claire has two children. She needs to do things.’ Luckily for me, my managers do support that, but it really depends on the mindset; that it is not about, ‘You need to be here every moment of every day that everybody else is.’ As long as I get the work done, that is what matters.

In our department we have a director, one of our most senior people, who is a woman who is working part time. She works three days a week. That seems to be working very well at the moment. She has a young child, has come back from maternity leave and is working three days a week. It is about modelling as well, I think. We need to be saying at a senior level, ‘You can do

it. Management says it is okay,' and that will encourage people to take up flexible working arrangements that they may have but may be scared to actually take advantage of.

Mrs IRWIN—You have a very good employer. Unfortunately, out there in the private sector, people are not in that position. They are finding it very hard to negotiate these conditions.

Ms Purcell—Absolutely, and I feel that I am very lucky to have the job and the flexibility that I do. I have had mums at school say to me, 'How can I get your job?' because they see me coming and going and picking up children from school.

Mrs IRWIN—One of the frustrating things that we have also heard through this inquiry, especially from women, is that they have a part-time or a full-time job but their children could be in two different centres because of the age of the children. They are finding that that is very frustrating as well. You have to drop one off here and then 15 minutes down the road you have to drop another child off.

Ms Purcell—Yes, I have certainly watched with interest the debate led by Jackie Kelly on that. What did she call it? She had a term for it, something to do with the drop-off.

CHAIR—The double drop-off. We have plenty of examples where children cannot get into the same child-care centre and then there is one at child care and one at school.

Mrs IRWIN—That is right.

Mr CADMAN—Just looking at some of your statistics on page 4, I am trying to work out the way these come through: 44 per cent with a child under five. I take it that the following percentage figures for couple families is not refining it down to 'with one child under five'. Is that right?

Ms Ellery—No, that is the total number. Of the total number of families with children, 78 per cent of those families are couples, 55 per cent and so on.

Mr CADMAN—But it does really get down to where the rubber hits the road, percentage of women with children aged under four, zero to 4, who are employed. That is a pretty meaningful figure, isn't it?

Ms Ellery—It is a huge number. That is the group of women who are at the pointy end.

Mr CADMAN—Do you know of any workplace where a substantial number of employees, say 50 per cent, have flexible working conditions?

Ms Ellery—We would have to be clear about what we mean by flexible working conditions.

Mr CADMAN—We have had a few described.

Ms Ellery—For example, we put in place a number of provisions to attract and retain nurses. The majority of nurses are women. There are a range of measures in place to do with how rosters are managed. I cannot provide them to you off the top of my head now.

Mr CADMAN—Is there any way of getting some figures?

Ms Ellery—Yes, I would be happy to provide you with that information.

Mr CADMAN—Thank you, that would be very useful.

CHAIR—We were due to conclude at 10 o'clock but were a little late starting. I think we are going to skip morning tea and have it while we continue to work. Just on that figure that Mr Cadman asked you, that 44.6 per cent, do we know what percentage of that 44 per cent are women as part of a couple or sole parents?

Ms Ellery—They are ABS figures. I am not sure if it is possible to drag that out of that ABS document.

Ms Purcell—I do not know. It may be and I will have a look at that.

CHAIR—Would you do that, because it would be quite interesting to know. Sue, was that opening statement in writing? Could we have that?

Ms Ellery—I have scribbled all over mine and I have cut some things out but I am happy to—

CHAIR—Do not worry, it is on the *Hansard*. Thank you very much. Let me say thank you very much for your updated submission. It was really very helpful to us and some of the figures that you have given us here are going to be most useful. If you are going to do it again, if you could add in those extra questions, it could be of a lot of benefit to us. There is one other interesting fact—that is, your figure on the gender gap for salary. I think you said 28 per cent?

Ms Ellery—Twenty-six, I think.

CHAIR—One of the interesting things is that that gender pay gap right across, with more women coming into the workforce in the full-time jobs, means the cost of the employment bill has actually gone down, which will be quite interesting in terms of the growth of profit and the growth of GDP. It will be very interesting to see if anyone has done some work on that. If you are looking at that gender gap, you might like to take a look at what the growth of women taking the jobs has meant to the wages bill.

Ms Ellery—Certainly.

CHAIR—Thank you very much.

[10.09 am]

RICHARDS, Mr Paul Jeffrey, (Private capacity)

CHAIR—Welcome. Do you have any comments to make on the capacity in which you appear?

Mr Richards—I am appearing as a single father that cares for children and works as well.

CHAIR—Thank you. We have your submission, for which we thank you.

Mr Richards—Yes. I believe you have been reading it too, from some comments I have heard.

CHAIR—Yes, I have most certainly read it. Would you like to make a statement to add to what is in your submission to us?

Mr Richards—Yes. I have made a few notes, which are probably vaguely covered in my submission. There is a lot of discussion about the federal government's stance now to force sole parents back into the workforce. I do some casual work currently, but if I have not worked for a few months I get the old phone call from Centrelink offering me retraining to return to work. I always get a bit incensed by this because, as I said to them, what is the point of retraining me so I can go and earn \$15 an hour when now I have a job that is offering \$55 an hour, which I cannot do because I cannot get suitable child care? They tend to hang up and that is the last I hear of them for a while. You will have noted there that I have written a few letters. The latest one I got back was from Peter Costello saying that in-home care is the way to go.

CHAIR—Yes.

Mr Richards—I chased that up. The phone number he gave was a bit vague.

CHAIR—What do you mean, 'vague'?

Mr Richards—The number I got put me onto one agency that did not really know, and they put me onto someone else. I finally got onto someone who asked me what my local area was and tried to give me phone numbers in Geraldton and Bunbury. I finally got hold of someone who informed me that, no, that is still not the place. I think it was Walmsley that covers the area that I was in. They sent me some forms, and I started filling them in. Like most forms, especially when you are trying to take care of kids and fill in forms, that took a while.

I eventually got to the end of it, and of course there is the last statement, right at the end, and if I had read it first I would not have bothered filling in the forms. It stated that it is only for daytime care and they do not perform household duties. I said, 'Hang on,' so I phoned up and spoke to them and they said, 'That's right. With in-home care, there are no household duties performed. It is just to care for the children and nothing more. At night-time, they knock off and

go home.’ The idea of 24-hour care for two weeks while I am working away and two weeks back, I thought, was pretty pointless.

After that I wrote another letter, which I think is the one that I addressed to you. I chased up with the tax office whether employing a nanny was a legitimate tax-deductible expense. First of all, I asked for the department of common sense and got told that there was none. I was probably being a bit facetious there; but anyway, I asked, ‘Well, why can’t it be a legitimate tax-deductible expense?’ and their response was, ‘It is not the government’s responsibility to finance the raising of children.’ I asked, ‘Well, what’s the sole parent pension then?’ and that is about where the conversation ended.

CHAIR—That was the tax office that said that?

Mr Richards—Yes, that was one of the people in the tax office: ‘It is not the government’s responsibility to pay for the raising of children.’ I can see the point that you could just employ a nanny to do your housework and things like that, so I can see some argument for it, but can’t they see my argument?

Mrs IRWIN—Some people see that as a luxury, but then other people like yourself are desperate for that sort of assistance.

Mr Richards—Yes.

Mrs IRWIN—What would your feelings be if you were in the position to have a nanny? Do you feel that should be a tax rebate, a tax deduction or would you like to salary sacrifice?

Mr Richards—A rebate would be really nice, because that would give me the maximum benefit. A tax deduction is still not bad, and salary sacrifice is virtually the same thing anyway.

CHAIR—Yes, it is.

Mr Richards—I do not see there is much difference there really.

CHAIR—Would your employer allow you to salary sacrifice?

Mr Richards—I work for a company that has been sold recently and taken over. With the management of the company that I used to work, the answer would have been no. They still live in the dark ages. With the company that has taken over, it may be possible. I made an inquiry about that at one stage but I have not heard back from the guy. I said to him, ‘Go to the new company’s management. Don’t go to our old management, because I know what the answer will be,’ and he knew what the answer would be.

Even if I could employ a nanny as a tax-deductible expense, there is a flip side to that. I was away working some years ago and I had family helping to take care of the children. The problem is that people have their own lives as well. Those family members eventually started a business, and my children started to turn into latchkey kids and all sorts of problems started to arise. Then I had a choice of either losing the job or losing the kids, so it was back to the sole parent pension again.

Mr CADMAN—What are the ages of the children?

Mr Richards—Not so bad now. The youngest is 13 this year and the oldest has just turned 16.

Mr CADMAN—Thirteen—

Mr Richards—Thirteen, 14 and two at 16.

Mrs IRWIN—Have you got twins?

Mr Richards—No, a son and a stepdaughter. They are a month apart.

Mrs IRWIN—You are raising those four children on your own?

Mr Richards—Yes.

Mr CADMAN—So they are all just a year apart?

Mr Richards—Yes.

Mr CADMAN—That makes some things easier to manage.

Mr Richards—Do you think?

Mr CADMAN—I have three boys.

Mr Richards—When my last wife left, I was left holding the baby. I had four kids under the age of four.

CHAIR—So you have been doing it since then?

Mr Richards—Yes. I had my sister and her family move in for a while. I did try starting at TAFE—I had some savings at the time—but I found that the savings were going down too fast. With the skills that I had, I could earn far more than going back to TAFE and trying to retrain. I looked at it at the end of the day and I thought, ‘Well, I’m not going to make any more,’ so why? So I just went back to what I was doing.

CHAIR—You give us an example in your letter—

Mr Richards—The costings, yes.

CHAIR—of the costings.

Mr Richards—I tried to revise that and I found that there was probably very little difference. They are, I suppose, napkin type figures.

CHAIR—What you are saying is that if you were able to have a nanny, paying say \$30,000 a year, and have a tax deduction, you would get back \$12,000 and the government would still be \$38,500 better off because you would be working and generating that income.

Mr Richards—Yes, and that is one less person on unemployment benefits.

CHAIR—Exactly. And the nanny is paying \$5,500 tax, so all up you have a situation where the revenue is very much the winner.

Mr Richards—Yes.

CHAIR—And your life has become much more manageable.

Mr Richards—Yes, that is the whole point. It is very depressing when you see your bills at the end of the month and think, ‘How am I going to pay off these now?’ and you always just scrape through.

CHAIR—Then there would be the additional benefit because you would not be getting the sole parent benefit any more.

Mr Richards—Yes, I would not have to deal with them. When I spoke to the tax office, I asked, ‘Where’s the department of common sense,’ only to be informed there is none.

Mrs IRWIN—Do you work now? Are you in a work situation now?

Mr Richards—I work as a casual. The skills I have are few and far between, with railway signalling work. I have worked on mainly maintenance but I have also worked in construction. I work in the workshop down here. I will work in the field but generally, because I only work four or five hours a day, I am not going to travel an hour to work and an hour home. I did some work at Joondalup on the extension up there, because that was close enough. I used to work in the Belmont workshop. It suits the company, because when they run out of work it is, ‘Sorry, there’s no more work,’ so they do not have to have me on a retainer. It also suits me, because if anything happens with the kids or I have to chase anything up or I have to leave work I can. They understand that. I enjoy it at times when they do run out of work and I can have a break for a month or two, because sometimes it just gets too much trying to chase around after kids and trying to work at the same time.

CHAIR—You also made the point that you have a 15-year-old son with behavioural problems and he is now being homeschooled and attending school part time.

Mr Richards—That has changed. He went back to school this year for year 11.

CHAIR—Isn’t that good?

Mr Richards—Yes, that was an interesting experience. He has matured a bit. We did drop him out of English because we decided he was not going to learn anything more and he was just disrupting the class more than learning. We have actually now dropped him out of the high school situation. We have got him involved with Centacare and he is doing a hospitality course

in Northbridge here. If that works out, in about three months time they will find him employment. He wants to train as a chef or a cook. He is actually doing something he enjoys now, and that will be the end of it, I hope.

Mrs IRWIN—Great! He will be able to cook meals for you.

Mr Richards—Yes, but he does not like touching onions, so I do not know how well he is going to go.

CHAIR—But you are finding that he has found a niche for himself, that he is really finding a place for himself?

Mr Richards—I am hoping, yes. When he was in year 8 I got a phone call saying, ‘We’re going to expel your child. He plays up too much.’ I was up north at the time. It is very hard trying to raise children by remote control, and there were lots of phone calls made. There are flaws all through systems everywhere. There are flaws in the child welfare system, there are flaws in the school system, but you just have to try and work with it. I did find, though, that if you do want help you have to beat your children up and abuse them or something. Then they are willing to help you. If you are not doing those things, not many agencies want to help you.

I do not know how, but somehow the school got him to a different area within the education department and someone else got involved and, hey, we got this placement. I am actually quite grateful for that. When I was talking to her briefly about all the troubles I had been having, the comment she made was, ‘Hasn’t anyone mentioned this before?’ ‘No.’ I suppose there is lots of help out there for some things, but it is hidden. I used to get very annoyed by sole parents, or just parents, who say, ‘I give up on my child. I don’t care any more.’ I have got to that stage, but I still keep bouncing back.

Mrs IRWIN—That job offer that you had—I think it was \$90,000.

Mr Richards—Yes. It is \$100,000 now.

Mrs IRWIN—And that was virtually fly-in, fly-out.

Mr Richards—Yes. Two on, two off.

Mrs IRWIN—Two weeks away from the family.

Mr Richards—Yes.

Mrs IRWIN—And then two weeks back.

Mr Richards—Two weeks back, yes.

Mrs IRWIN—Would the two weeks back be at full time? I know that some people that work on the oil rigs work six weeks straight and then they have so many weeks off.

Mr Richards—No, it is two weeks off. I can work down here if I want to, but they know my feelings on that. It used to be three on, three off, but when they changed to two on, two off, as I said to the boss, if I did go up there, that would be fine, but the agreement would be there would also have to be two weeks leave amongst that so that I could have a six-week break once a year. They are currently not doing that but, as he said to me, they are that desperate trying to get people with my skills that they probably would offer—

Mrs IRWIN—So there is that job offer there of \$100,000 with those conditions that you have negotiated?

Mr Richards—Yes, it is still there as far as I know.

Mrs IRWIN—If you took that job offer up and, say, employed a nanny for the times that you were away, without a tax deduction, would you be better or worse off than you are now?

Mr Richards—I did work it out one time.

Mrs IRWIN—You can get part-time nannies.

Mr Richards—Yes.

Mrs IRWIN—You can get them for two weeks and they have got to sleep over and—

Mr Richards—I think I worked out that I would be in the same financial situation at the end of the day, and I am thinking, ‘Why am I going to go through all that effort, all that hassle, all that aggravation’—

Mrs IRWIN—To be no better off?

Mr Richards—Yes, because the problem is that it is not just a matter of phoning up an agency and saying, ‘You’ve got a nanny. Send one over,’ and that is it. I used to joke with them, ‘I need a cross between Mary Poppins and Attila the Hun.’ That is what it gets like at times. I do not want somebody who treats it as a job—‘Oh, it’s just a job. I get paid at the end of the day. I don’t care what happens. It’s not my responsibility.’

CHAIR—You would like to build a relationship with someone you feel could act in a way you would feel confident about in the weeks that you are away.

Mr Richards—Yes, and someone that can drive, because one night I think from five o’clock at night till about nine o’clock I was driving kids around here, there and everywhere. There are a lot of things that my kids have missed out on when growing up, as far as sports and things like that, because either I have not been able to take them or have not been able to afford it.

CHAIR—Then you come to that interesting definition that the government was trying to force on you with regard to in-home care. What is a household duty? Driving the kids to a sports event is part and parcel of looking after a child, but how would they define it?

Mr Richards—Yes. And it depends who you get and—

CHAIR—What is cooking a meal?

Mr Richards—Yes.

CHAIR—They have to eat.

Mr Richards—I used to be able to rely upon my parents a lot. My father has passed away. My mother does not drive. My father towards the end stopped driving, which is just as well. I know my mother has got a plateful because I have another sister with big problems and she is quite often tied up with her, so I just do not feel it is my place to impinge on her any more than I have to. I have a nephew and his wife that can sometimes help out with babysitting and I drop them off if I have a job to do. I also have an electrical contracting business. It helps pay the extras. I was out till 8.30 last night trying to do some work, trying to finish one job off for somebody, so my nephew dropped my daughter off at work and then he came up and gave me a hand just to be able to try and get things out of the way, because there are just not enough hours in the week.

Mrs IRWIN—Paul, for the record, you take up this job for \$100,000. You are going to write the legislation. What would you like to see? For you to take that job up for \$100,000, what would you like to see in place for your circumstances?

Mr Richards—There are lots of things I would like to see changed, but just as far as the nanny situation, personally I would rather see the children raised by their parents, but sometimes the parents cannot stay home because it drives them mad, like me!

Mrs IRWIN—But there are also shiftworkers.

Mr Richards—Yes. Also, you were talking about providing child care at the work site. Some people work at the work sites but some people work in the field. That just will not work for them.

CHAIR—It is not going to work for you.

Mr Richards—No. I used to go to work with my father when I was six years old, back in the days when you could do things like that. He used to work in the railways and I used to ride on the track machines and drive up and down the railway lines, and things like that were fine. You used to meet all the bosses there. Yes, things like that were fine back then. Now I think this public liability has got a bit extreme. The main thing I would like to see changed is to have the cost of a nanny being either a tax-deductible expense or the company using it as part of salary sacrificing, but then you have to rely upon finding a company that is willing to salary sacrifice.

CHAIR—If you could have both systems working, there could be a choice.

Mr Richards—Yes. I know that you have to be careful of people trying to rot the system. If there are two parents, maybe tax deductibility for a nanny should not be available to them—

CHAIR—Why not?

Mr Richards—unless the government again sits down and does its sums and says, ‘Well, look, if we allow them to employ a nanny and they’re both working, that’s one less person unemployed. These people earn an income. They’re paying tax.’

CHAIR—That is right.

Mr Richards—Maybe the government should set up a means test, person by person, and say, ‘If you employ a nanny will we make money out of you?’

CHAIR—I think we have got enough means testing, and you can get a tax deduction for your motor vehicle or your computer or whatever. As I said, we have already started to see the example of the hypocrisy, really, of the tax office effectively giving their own employees a tax deduction for their child-care expenses.

Mr Richards—Yes. If they are worried about people rotting the system, they could simply say, ‘Okay then, unless we’re going to make money out of you by you employing a nanny, you don’t get it.’

CHAIR—It has to be to enable you to go to work. That has to be the test.

Mr Richards—Yes. I know some people use the rort where they do tax deductions so that they can reduce their income and not paying any tax at all. I believe that everyone who earns an income and lives well should be paying taxes, should be supporting their country.

CHAIR—We have plenty of people who are not paying tax. For instance, people who are in receipt of family tax benefit A and B could be earning \$40,000 a year and paying no tax.

Mr Richards—Yes, but it worries me when there are people driving around in BMWs and Rolls Royces and living in—

CHAIR—That concerns me, too.

Mr Richards—I believe everyone should pay their fair share, and I think I have worked out that any taxes I have paid over the years I have probably got back to this stage.

CHAIR—But you have just pointed out in your figures that if you do not get tax deductibility, taking that job where a firm or an employer desperately needs your skills—

Mr Richards—They keep trying to import from overseas but unfortunately the ones that come in do not have all the qualifications they need. Part of the requirement is an electrical worker’s licence and most people that come in from overseas either do not have it or their licence is not recognised.

CHAIR—Anyway, how crazy is that? We have someone trained to do the job who cannot do it because he cannot have tax deductibility of his child-care expenses, so we are prepared to import somebody and retrain them. That is nuts.

Mr Richards—Yes. It keeps happening.

Mrs IRWIN—Do you know of any other fly-in, fly-out workers? Have you spoken to anyone that is in a situation where they are away for two weeks and then come back; and how they are coping with their responsibilities?

Mr Richards—As far as a single parent or a married couple?

Mrs IRWIN—Give us an example.

Mr Richards—Most of the guys I would know there who are married usually do it for four or five years, make some money, get the bills paid off. I think it strains the family a bit. What tends to happen is that, because when they come home it tends to be time for themselves, most of them say they enjoy it. The kids see more of them than they usually do, so the kids enjoy it. Their wife enjoys it because she gets a bit of a break while they are home. Most of them do prefer it that way.

Mrs IRWIN—But it is hard for the sole parent in your situation?

Mr Richards—Yes. It was good when I was working away because the kids were seeing more of me. Because I had the money, I was able to come back. Once a year we used to go away to Monkey Mia or somewhere during winter and have some time away. We used to go to the movies a couple of times. Now, if there is some spare cash, we might get pizza. There is not much of that happens these days. I was probably able to spend more time with the kids. Now I just drop the kids off at school, go to work, pick them up after school. Last night I was out till 8.30 working, then picked up my daughter on the way home.

CHAIR—Where was she till half past eight?

Mr Richards—Working.

CHAIR—She was working too?

Mr Richards—Yes. She works three hours, three nights a week.

Mrs IRWIN—Have you lost any of your skills, Paul? This is the thing that we are hearing now from people: that they are losing their skills because they have been out of the workforce for some time.

Mr Richards—No, not really. You have your yearly review with Centrelink. That is another thing I got very incensed about. They phoned me up one time and just did a quick survey over the phone. They said, ‘What are you planning on doing?’ I said, ‘I plan on keeping my finger in the pie as such. That is why I do this casual work down here, so I keep up to date on the equipment, on the wiring, keep my skills going. I plan on doing that because one day my kids are going to grow up and I want to be able to go back into the job. I do not want to sit out of it for four or five years.’

Centrelink in their wisdom—their old computer generated a letter, so they say, that said, ‘We have worked out this plan in conjunction with you that you’re going to do all these things.’ I am looking at this going, ‘What are they doing? They never worked this out with me. This is what

I'm doing.' I made a few major corrections to the thing and told them what I thought of it and sent it back to them. They phoned me up this year and the same sort of thing started. I said to the guy, 'Did you read the one from last year?' 'It's on the computer here.' I said, 'No, the one I sent back.' 'No.' So I told him what I thought of the whole stupid system and he said, 'Don't bother coming for the interview.'

I know some sole parents out there who are bludgers and I believe the government should give them a good boot up the backside, but they tend to treat you all like criminals. Recently, I got a letter from them to provide proof of my income for one period. That was fine. I sent away the pay slips, which did not come back promptly as they said they would. Then I got another letter to provide some proof and I am trying to find out what is going on. Then I realised they had not returned these pay slips. That made it harder. They wanted proof of income for a period when I had not been working. I finally went into the local office and stood in the queue for ages, then finally got in to see someone about an hour and a half later.

I said, 'What is the problem? Every fortnight I go online, I click the box where it says I didn't earn any income and the bit about saying there are penalties for false or misleading information—you come around and break my legs and rip off my fingers, whatever—I click that every fortnight and now you want me to provide proof of income for all these employers. I didn't work for anyone.' He said, 'Can you get a letter off your employer saying you didn't work for them?' I said, 'Off who?' It took me ages before I finally said, 'Why don't you write me a letter saying I didn't work for you?' 'Yes, but you didn't work for us.' I said, 'Yes, and I didn't work for them either, so why should they be providing me with a letter saying I didn't work for them?' Finally the penny dropped. It took a while.

As I said, what really annoys me with that is that I just wasted three hours of my life trying to sort this out. I said, 'Why do I keep clicking this box here saying that this is true?' He said, 'You could be lying.' I said, 'And guess what? This could be my brother here right now lying to you also. How do you know? You don't, do you?'

CHAIR—Next time they give you a hard time—

Mrs IRWIN—Phone your local federal member.

CHAIR—You have a very good local member in Michael Keenan. Tell him to intervene on your behalf.

Mr Richards—Some years ago I went back to work full time as a casual through an employment agency. I did not know there were so many reasons why they could cut off your family payments. Every fortnight there would be a new reason why they cut it off. I would give my sister a call at home and she would phone them up and tell them to call me and have an argument with them as to why they had to call me—'Because he's working. He can't stay on the phone all day waiting for you people to answer'—and they would finally call me. We would go through it, it would get resolved again. Next fortnight, another reason why they cut off the payment. This went on and on.

After about a month and a half of this, I phoned my local MP and I had the manager phone me from the local office. He said, 'I've looked at your file. There seem to have been some

problems.' I said, 'Some problems? It's a disaster. How could you do this?' He said, 'It won't happen again.' True to his name, it never happened again.

CHAIR—Yes. He fixed it.

Mr Richards—It just went on and on.

CHAIR—Just remember you have a good local member.

Mrs IRWIN—Paul, at the end of the day, if there were in-home help assistance, if you could have got a tax deduction or tax rebate, you would have taken up that \$100,000 a year job offer?

Mr Richards—Yes, I would have taken it and I would have tried it, bearing in mind it may not work out. The main problem is the nanny, but there is no way in the world I would ever know. I have worked away before. When I did have good care at home and someone there all the time, it worked out pretty well. As long as I get someone there that has the finger on the pulse—as was recommended by one of the agencies, I probably need someone more mature—and they can see what is happening, it would not be a problem.

CHAIR—We had a nannies day. We had about 20 people around the table and we looked at their skills and what they wanted and how they worked. One of the things we are looking at recommending is that nannies have at least a level 2 certificate. They could be registered, and then that would attract either the CCB and the tax rebate or tax deductibility; but they are to have qualifications.

Mr Richards—Even now when I am down here, I get messages from the school occasionally saying, 'Your daughter is late,' or, 'Your daughter is not at school,' and I am there thinking, 'I dropped her off at quarter past eight.' You either panic or I have just got to the stage now where I ignore it and go back to work. The phone rings and I am always dreading that it is the high school about my son again. Every time it is the high school I go, 'Yes?' They say, 'Just checking on a form.' I go, 'Good. It's not my son.' But it is terrible when you are trying to work and you keep getting calls, or if something has happened.

CHAIR—You have no-one to share it with.

Mr Richards—Not only that, but sometimes you do not want to make mistakes in the work you are doing. It is not so bad in the preliminary building equipment but it is if you are out there actually doing the work and you get distracted. For example, with railway signalling work, if you make a mistake there, two trains hitting could be disastrous; you do not want things like that. Things like that have happened to people in the past when they have been distracted. I have had problems in the past where I have done things, but I have worked out procedures such as, 'What can I do to make sure I don't leave switches off at a level crossing, so the batteries don't go flat?' and things like that.

You have to work out ways of doing things so that, if you do get distracted, you have worked out your own safe systems and you always follow the same system. But I got one phone call some years ago and I drove back into town, into Newman up north. There is my daughter's message on the phone, 8.30 in the morning, 'Dad, a disaster has happened.' I am like, 'Great.' I

phoned my sister. 'What's happened?' She said, 'I don't know.' I thought, 'If I had had that message before I left town, I probably wouldn't have gone anywhere that day.'

CHAIR—You have given us a picture of the effort you put into being a pretty good dad, I would say.

Mr Richards—Yes. There are a couple of other things. It probably is good for children to see their parents working. Also, as you have covered, you need to keep using your skills so that you do not lose them. Some of the ideas and plans of the government probably are not so bad. I reckon with the changes to the family payments—how they work out exactly how much you earn and, if you overstate or understate your income—the balance is worked out. Under the old system, if you understated your income and you earned more you had to repay it but if you overstated your income you were not repaid. One year I think I had to repay \$4,000 and then another year it worked out that I was owed \$4,000, but no way in the world was I going to get that. Are you familiar with the old JET program?

CHAIR—Yes, we are.

Mr Richards—I found that very useful at times. Another friend of mine actually found it very useless. She did not really know what it did, but I found it useful for returning to work. Even when I was working, when I had a problem with child care one time, I was able to phone up JET and say, 'Look, here's a problem.' They wanted to charge me topnotch dollar for it, and she goes, 'That can't be right,' and I said, 'Well, it's not,' and I told her what the problem was. She got back to me and eventually she, I think, gave someone a kick up the bum and got it resolved. It was just because someone was too lazy to process one form. They were saying a one-page form took them three months to process, yet they processed the booklet that week. I said, 'But if they process the one-page form, they don't need to process the booklet,' and it was, again, a catch-22 situation.

The other thing, especially taking care of kids full time, is that it is all right saying, 'Work, work, work,' but sometimes you need a break during the week. I do not work any more than four days a week because I need a day off to either give other people a hand or to have time to myself or to get some shopping done or to just sit back and veg out, because weekends are not really a time to sit back and relax. I work harder on weekends than during the week. So I tend to only work four days a week and that is it, so that I can have that extra time off to get some shopping done and to get meals prepared. I do not know if anyone has taken that into consideration. If not, you need it in there.

CHAIR—Okay.

Mr Richards—They are the main points I wanted to make.

CHAIR—We are very grateful to you for coming to talk to us this morning.

Mrs IRWIN—We hear from government departments and various agencies, but it is good to hear from someone who is right at the grass roots of the situation.

Mr Richards—If you want something a bit more humorous, there is a guy I know, who is in his 70s. He was saying that when he was young—and he used to live in Katanning, I think—his mother had to come to Perth for one of their children. He was only about two or three years old at the time. His father had to work because there was no welfare system back then. Because of where he lived—the back fence was just a wire fence and there were old mine shafts around—his father used to tie him to the clothes line outside before he would go off to work and then about an hour and a half later a neighbour used to come around after she got her kids off to school and untie him and take care of him. He could not be left inside the house, because if a bushfire came through the house would burn down, so the safest place was to tie him to the clothes line. Is that one method of child care we could use? As he said, it seems pretty terrible, but it was only way that they could make ends meet.

Mrs IRWIN—Unfortunately, Paul, those stories are still around today. I have heard a similar story involving shift workers. They could not get care at night-time, and there was a turnaround of about three-quarters of an hour to an hour. You know the old wooden playpens?

Mr Richards—Yes.

Mrs IRWIN—They turned one of those upside down and a pillow would be put in there and a baby's bottle, and mum would be going off to her shift and hoping that dad makes it home within that hour. We definitely have to look at some of the recommendations that you have made to this inquiry.

Mr Richards—Yes. And the idea that when children turn into teenagers they become less of a hassle—yes, right!

CHAIR—Not so!

Mr Richards—I actually preferred it when they were toddlers. There were fewer problems then.

CHAIR—Thank you, Mr Richards, very much for coming and talking to us. Alan, you do not have any further questions, do you?

Mr CADMAN—No. I was very interested in all your comments, and I can imagine how difficult it would be with four children.

Mr Richards—So can I expect some tax changes next financial year, when I go back to work next month?

CHAIR—We are certainly working on the options that are presented to us.

Mr Richards—You were talking about what the tax office was doing as—

CHAIR—Salary sacrificing?

Mr Richards—Yes. Is that something that is allowable?

CHAIR—It is allowable under the commissioner’s tax ruling on his interpretation of the definition of ‘premises’, where an exemption from fringe benefit tax is given. Where the fringe benefit tax is no longer payable by the tax office, they allow employees to salary sacrifice, but it means that the employer has to conduct a child-care centre. They have to either own the premises or lease the premises.

Mr Richards—They can lease my house. I don’t mind! Could they provide a nanny based on that?

CHAIR—No. At the present time that is not allowed, but it is certainly the sort of thing we are looking at.

Mr Richards—Okay.

CHAIR—Thank you very much.

Mr Richards—Thank you for hearing me.

[10.46 am]

DAVIES, Ms Karen, (Private capacity)

CHAIR—Thank you very much for coming.

Ms Davies—Thank you. I am a married mother of two. I live here in Perth, but I have previously lived in Melbourne and Sydney, so some of my comments will range across different people in different cities and different situations. My children are seven and four. I am frightened to hear what is coming from Mr Richards! My motivation for my original submission to the inquiry was my frustration for myself but also very much many of my girlfriends, particularly those in Sydney, who are struggling with attempting to achieve this difficult-to-find work-life balance that we are discussing today.

CHAIR—And are there some other opening statements you would like to make in addition to the submission you have made to us?

Ms Davies—Yes, perhaps just to expand slightly. It was some time ago that I wrote that submission. Following on a little bit from Mr Richards's comments, what I wanted to say is that mothering is already a job and I have difficulty with the tax office, and with the community, dividing that away from paid work, suggesting that assistance with mothering or household duties should be a personal expense, whereas having a computer or a car is a work expense. Many of the women that I know are struggling with their parenting obligations, with their mothering obligations and with their community obligations when they work part or full time. I think that we should recognise that the day job they already have, being a mother or a parent, is just as important as the economic job that they have, participating in the economy, and we need to make it easier for them to manage the mothering so that they can then make a greater contribution in other areas.

Many of my friends have been obliged to 'dumb down' their jobs. Many of them are women who have studied hard and worked hard and built careers, and have then had to struggle with that identity thing, that you do. Having had their kids, they have needed to go back to work for economic reasons, and maybe also a little bit for personal self-esteem reasons, and when they do that they are struggling to keep all the balls in the air, because they already had a job when they had their children. That is another job in itself. Because they are so highly geared—they are trained to achieve, they are trained to perform—I think they are really tough on themselves in terms of whether they are managing to do it all or not.

I think many of us in my generation are products of women who fought really hard for our right to have it all. My mother taught me that if I studied hard and worked hard and got a career then I would always have options, I would have it all, and I am not sure that we have really fought for the right rights quite yet. I feel that what we have won at the moment is the right to feel guilty, the right not to do any job particularly well. We have trained ourselves to be quite hard on ourselves. There is a lot of pressure in terms of quality parenting these days.

There is endless guilt about how many after-school activities you can make time to take your child to, to help them grow into the best person they can be, and working mothers just cannot keep all those balls in the air.

It is heartbreaking seeing what some of my friends are struggling with. I have one friend in Sydney who, 15 months ahead, in September each year, sits down with her husband and her sister and they divide up all their annual leave between them for the coming 15 months across the three children that they have, and they agree that one parent will be available to mind the kids throughout all the school holidays that are coming. That leaves them with a deficit of a few weeks that they have to fill in with friends or after-school care and that kind of thing. There are no family holidays together, and they only just barely pay the bills. That is not a way to live. Unless you had to, why would you do that on an ongoing basis?

I understand that we need to get women back into the workforce and I understand that we need families to grow. It just does not seem to me like a really positive choice. I feel terrible saying that, after listening to what Mr Richards does on a daily basis, because that is a huge contribution as well, but it is hard. It is hard for these women.

Mrs IRWIN—You said in your submission that you have started up your own business. Is that the internet business?

Ms Davies—Yes. I guess I am an example of dumbing down.

Mrs IRWIN—And that business is still going?

Ms Davies—It is. It has been going for almost eight years. That happened within six months or so of me having my first child. This was pre the dotcom crash. It was a small, very developing area of my career before I finished work. I began training myself in it while I was looking after my child and then someone asked me to do some work, and some more and some more, and so now it is a business. It is part time; it fits in around the children. It certainly does not use my scope of experience from before I had my son, but it would not be possible for me to work in the job that I had before.

Mrs IRWIN—You have two children. What are their ages?

Ms Davies—Four and seven.

Mrs IRWIN—What would you like to see in place if you wanted to go back?

Ms Davies—If I were to go back full time?

Mrs IRWIN—Full time. What would get you there?

Ms Davies—I think that we need to recognise what we do during the day, as mothers, as parents, as householders or housekeepers, whatever you want to call it. All of that is important. You cannot expect someone—in my case—to be working 40, 60, 70 hours a week in an office, to be on call in a high-pressure job, and to then come home and have to be juggling sick children, shopping, food, community contributions. There are all the mothers who make contributions at

the school, sitting with children my kids' age, doing reading drills and all those kinds of things. At the moment those things are all done by women invisibly in economic terms and, as Mr Richards was saying, those things have to happen if you are at work or not, so if you are going to make space in your life for them, you need support.

Mrs IRWIN—Are you partnered, if you do not mind me asking?

Ms Davies—Yes, I am. I am very lucky: I am not obliged to work full time and I choose not to at the moment. That might not always be the case as my children get older.

CHAIR—What was your full-time job before?

Ms Davies—I was a director of an ad agency.

CHAIR—Very demanding.

Ms Davies—Yes.

CHAIR—And very competitive.

Ms Davies—Yes.

CHAIR—If you go back to that job after being away from it for this period of time, it would be pretty tough, wouldn't it?

Ms Davies—Absolutely. I think I said in my original submission that skills age very quickly.

CHAIR—That is right. You said, '... five year old skills are terrifyingly dated'.

Ms Davies—They are. I have one girlfriend in Sydney who has recently divorced, who now finds herself in trying economic circumstances. Her husband owns over \$1 million a year. She is now bringing up children on \$30,000 a year. She needs to go back to work, but she has three children under 10. They are in the mortgage belt on the lower North Shore, and it is just not working for her. She cannot get work. She has been out of the workforce now for 10 years. She cannot get enough work to make it worthwhile juggling the child care and all the rest of it.

CHAIR—It is not an original statement and I think it was someone far more prominent than us who once said, 'Well, it is one husband away from welfare.'

Ms Davies—Yes.

CHAIR—That is what has happened to her.

Ms Davies—Yes.

CHAIR—Which is why you cannot afford to lose your skills.

Ms Davies—But I think also, if I were going to return to work full time, there would need to be a lot of attitudinal change, cultural change. My previous job is a particularly, as you said, competitive and demanding one, but certainly I think it is true throughout corporate Australia that there is a lot in the way of women joining in at the level that I was at previously and at the level of a lot of these women that I speak about today. There is one girlfriend of mine who technically works part time. She is in a very senior role in Sydney and she is constantly called in on her off day, which means she then has to drop everything.

Mrs IRWIN—And has to try to find a babysitter.

Ms Davies—She is encouraged not to bring the child to work, even if it is a one-hour urgent meeting that cannot possibly wait. She constantly feels in debt. She is always slightly out of breath, having to keep up with it all. There is an idea that just because she is off on Friday, she is not doing anything, and she is available on the phone and she is available to check her email. There is a mentality that she must just be doing personal stuff. Personal stuff happens to be work as well. She is shopping, she is cooking, she is cleaning, she is child-caring. So that is very difficult.

I think also the idea of hours is a really tricky one. It is as though in the corporate world you are measured by the number of hours you sit at your desk, and I certainly know that in the case of the mothers that I know who return to a corporate job they do not sit at their desks as long as they did before they had their children, but they just get in and they work and they work and they work. They do not socialise by the water cooler, they do not often stop even for lunch. They do not fritter their time. They are really productive.

I was talking to the managing director of a very large and very successful agency in Sydney. They have a very well known employment policy for women. They employ a lot of working mothers. He said, ‘Oh, working mummies! We love them. They’re terrific. They’re cheap, they don’t make hassles, they’re quiet, they’ve got great skills because they’ve worked for years and years and years’—a lot longer than our mothers did because we now have our children later. ‘They’ve got fantastic professional skills. They never agitate for promotions. It’s just brilliant. We just get this fantastic bargain. They never make trouble. They never politic. They don’t have time.’ That sounds to me like a sweatshop. It is just terrible that you can employ these people and never advance them. He says they are cheap. They do not pay them as much as they pay the younger people or perhaps the men in the organisation. That is a terrible way to run a workforce.

Mrs IRWIN—I agree.

Mr CADMAN—Very interesting comments. You have chosen not to work full time and you prefer the lifestyle that you have got.

Ms Davies—I do not always prefer it. I would prefer to be a part of the workforce.

Mr CADMAN—I do not think anybody always prefers their lifestyle.

Ms Davies—No. I would like to be a part of the workforce in some way in the capacity that I was before. I now work alone at home. It is kind of good and kind of bad sometimes. It is not good for your head sometimes. I would prefer to be part of an agency again but I just know it is

absolutely not possible, and the emotional price that you would pay for needing to participate in that kind of an organisation with young children makes it just impossible.

Mr CADMAN—Do you think that somehow or other the choices that you were told you would have are not there?

Ms Davies—Absolutely not, no. I think we have been set up to fail. The idea that if you get an education—

Mr CADMAN—Who set that up? Was it other women or was it the system, or what?

Ms Davies—It was certainly not deliberate. It was well meaning, it was well intentioned, but I think that we have created a generation of women who are often quite highly qualified, who worked for a long time before they had their children—rather longer than previous generations—who have gotten accustomed to a certain level of achievement, remuneration, the trappings of all of that, and then they are expected to step out and have children.

Mr CADMAN—What you are saying is that you have made a choice. You have decided you cannot have both at this point.

Ms Davies—Yes.

Mr CADMAN—And you have decided for your children. Is that right?

Ms Davies—Yes, for the family—for my children, and for my husband as well, I guess. It would be very difficult for us to both carry on at the level that we were workwise. So he does that, and I do what I do.

CHAIR—At this stage in your life you are quite confident that you will not end up like your girlfriend.

Ms Davies—I hope not.

CHAIR—Skills gone down, divorced, and no money.

Ms Davies—Yes. It is a terrible risk that you have to take, but I do not see any other option at the moment.

Mr CADMAN—Would you go back to having no children?

Ms Davies—Not in a moment. Absolutely not.

Mrs IRWIN—I think this is the greatest fear, as you were saying—that career path for women. We have fought hard to achieve what we have achieved to date and sometimes I feel that we just have to go that little bit further, but this is what I am hearing from people like yourself, professional women, who are very concerned that once they have had a child they are going to lose that career path. You have got young children of six and four, I think you said.

Ms Davies—Seven and four.

Mrs IRWIN—Would you look, say in 10 years time, at going back into the job that you had? Then again, you have lost those skills over 10 years.

Ms Davies—I cannot see that as being feasible. I would have to rethink my career altogether when the children get to that point, whatever that point is going to be.

Mrs IRWIN—You would have to retrain.

Ms Davies—Many of my internet clients are the most amazing women who are kitchen-table cottage industries, who have built themselves up because they are able to work on their own terms. I have one girlfriend in Sydney who was a journalist and decided to start a local paper. She literally put a seven-month-old baby in a stroller and wheeled him up and down Darling Street in Balmain and started a paper. She since has sold that to a multinational publishing company. Her children are older now and she is back being employed as a senior editor. But the only reason it worked for her was that she did it on her terms. For the first few years they published out of her garage and they were subediting with children crawling around on the floor underneath them. She employed her staff on the basis that they would understand that there is a playpen in the corner and they needed to put up with that. I do not think you would get away with that in larger, more traditional corporate organisations.

CHAIR—How do you feel about child-care centres being provided in the place of employment?

Ms Davies—I think that works for very young children, but when you get to school-age children, as I am now starting to learn, you have a lot more to juggle. You have kids having sick days that you cannot bring them to work. There is the obligation to be at school for the minimum, which is the parent-teacher interview or maybe the sports day, but beyond that, what if your kid has issues like Mr Richards's son?

CHAIR—Or indeed like the parliamentary secretary, who has to help with her mother.

Ms Davies—Yes, absolutely. Amongst my girlfriends there is a whole invisible underemployment issue, because the only part-time work you can generally get is not at the level that perhaps they worked at before. There is no real job sharing that goes on.

CHAIR—Job sharing is very hard.

Ms Davies—It is difficult.

CHAIR—For the people dealing with the person who is a job sharer, too, it can be very frustrating if the person they are dealing with is not there on the day they need to deal with them because they are job sharing. If it is somebody else, it does get very difficult.

Ms Davies—And the technology does not really help. You would think that the mobile phone and email and all the rest of it would help, but all it does is chase you around all the time and

make it really difficult to find the border between one thing and the other, between work and home.

Mrs IRWIN—I found it interesting in the last paragraph of your submission where you stated:

If we want to get women back into the workforce, we need to support the entire community. men need to understand how to contribute better. our children will need careful handling to avoid becoming a latchkey generation. the community network, which used to centre around neighbours and family but is now so eroded, needs to be recreated.

this is what I found interesting—

schools need to be more flexible.

What do you mean by that comment?

Ms Davies—There is a lot of responsibility in schools that is taken up by parents and that responsibility at the moment is mainly fulfilled by non-working parents. I think that if all the mothers returned to the workforce and the school suddenly had to employ people to run their committees, people to do the reading with the children before school—

Mrs IRWIN—School canteen.

Ms Davies—All that stuff at the moment is done by non-working mothers, invisibly in an economic sense.

Mrs IRWIN—You say that men need to understand how to contribute better.

Ms Davies—Yes. In any household there is a person with primary responsibility, a person who knows when the dental appointments are next due, a person who knows what goes in lunch boxes, or whatever it is. Very often that is the woman. It is not enough to think, ‘Now we both work, I’ll drive the kids to school, but you do everything else.’ There is a lot more to it than that.

Mrs IRWIN—There was one delightful lady that came before our inquiry at a public hearing: she had a great marriage and two wonderful children but I got the impression that she was really frustrated, in inverted commas, with her husband. They were both professional people. She was on a lot more money than he was. When they decided to start a family, he virtually said to her, ‘Well, I’m not going to give up work because I’ve got that career path,’ and she thought, ‘Hey, hold on here. I thought this was a two-way street.’ She was on more money than he was. Do you think there should be education of men to address that and say, ‘Look, you’ve got to take some sort of responsibility as well’?

Ms Davies—Yes. If we ask women to take equal responsibility in the workplace—and this is this equality that we have fought for—then responsibility in every other area of life needs to be equal as well, and I do not think it is at the moment. I think the buck often stops here.

CHAIR—Can I go back to your statement. You said you thought that women were set up to fail, but not deliberately so. I cannot imagine that you are really saying you would not have wanted to be educated and have had a career.

Ms Davies—Absolutely. No.

CHAIR—You do not want to go back to being a dependent, uneducated person.

Ms Davies—No.

CHAIR—So when you say you are set up to fail, it is the pressure of trying to accept the fact that education and work experience means that your child-bearing years come later, which means, in turn, that to stay in the workforce at that point is more difficult. What are the things that you think that governments can do to ameliorate that? You cannot legislate to say that men have to share responsibility. You just cannot do that. It is a lovely thought, but you cannot do it. You have to be a bit picky when you marry, I think. What are the things that are within the purview of the government that they can actually do? Tax is something that drives people's behaviour. It drives business behaviour, it drives personal behaviour. You say in your submission:

... the real cost of working includes childcare (which should at the least be tax deductible) ...

you have to then add in the cost of—

clothing, perhaps an additional car ... transport or commute cost, stress, nutrition, possibly domestic help
... ..

the weekly or monthly trip to the local shopping strip branch of the bank has become several hours a week of internet transfers between various accounts, managing shares and investment accounts, mortgages and more.

You are saying life has become more complicated as well, and I think we have all found that the more technology we have the greater our workload.

Ms Davies—We work for 'it'.

CHAIR—Yes, and it becomes much more demanding because more things can come to you more quickly. Obviously tax deductibility is one you have identified. If you could have tax deductibility for having some services in and around your home, you actually employed people to assist in alleviating that burden—not just child care but other services—where you had a small withholding tax and they had a tax file number, would that go some way to alleviating—

Ms Davies—I am sorry, I do not understand a withholding tax and a tax file number.

CHAIR—When you pay the wage, you would keep a bit back that you would remit to the tax office, and the person you employ would have to have a tax file number, which means you are breaking into the black economy. It means they are genuine employees and you have some workers compensation for them and you pay super for them.

Ms Davies—So an easier way for us to outsource domestic support?

CHAIR—Yes.

Ms Davies—Yes.

CHAIR—They would be an ordinary employee as far as you were concerned. In other words, you are running your internet business and you are running your household business and you are bringing in work to enable you to achieve that, and obviously pay tax yourself.

Ms Davies—That would certainly make it a great deal easier. Absolutely. I think the other thing that would make it easier—and I am talking about office environments solely at the moment—is if we were more flexible about working times.

There is a great mentality of school must go between nine and three, the office must be open between nine and five, or eight and six, depending on how you look at it, and that makes it very difficult for women to fit things in. There are some women who are doing some night stuff. I have a friend who has been working from 3 am. She is a human resources director of a really large company and she gets up at 3 am weekdays and works through till seven when the kids wake up. Their marriage has just broken down. That is a really tough solution but that is what she felt she needed to do, because she needed to leave her office at three o'clock in the afternoon. That was the only way that she could do it.

If, by convention, our idea of office time was a little more flexible, as it is in Europe, and it was all right to come to the office at six o'clock and it was all right to be at the office at 7 pm, now that we are in international time zones and all that kind of thing, that would make it easier for women to juggle—

CHAIR—But there are people who do work like that.

Ms Davies—Yes, but that time after hours is paperwork time. It is never life time. It is not time when you can pick the phone up and make contacts and things like that. That would make it easier for mothers as well, I think, maybe with job sharing and—

CHAIR—But how are you going to match that up?

Ms Davies—I have no idea. It is very difficult.

CHAIR—What happens if someone is working from eight till four and someone else is working from—

Ms Davies—It is as difficult as the job sharing problem, the conundrum we were talking about before.

CHAIR—It becomes very inefficient.

Ms Davies—Yes. Trying to call someone who is on a job share who is not in that day is really difficult.

CHAIR—And frustrating.

Ms Davies—Yes, it is. Maybe school hours are different. I do not know. At the moment they all crash in on top of each other, and you are like a maniac trying to get from one to the other.

CHAIR—What about after-school care on school premises?

Ms Davies—Yes. I understand there is a reason why that cannot generally be done.

CHAIR—There are a lot of schools doing it.

Ms Davies—But our school has a difficulty with that, I understand.

CHAIR—But there are a lot of schools that are doing it.

Ms Davies—Yes. That would certainly make it a great deal easier, especially if you get that consistent care where you know that it is the same environment and the same people all the time. That is much more comforting.

CHAIR—It could be good homework time.

Ms Davies—Yes.

CHAIR—Alan, do you have any other questions you would like to ask?

Mr CADMAN—No. Your observations, to me, are very interesting. I have a lot of younger friends who say, as you do, that we cannot have everything. We just need to manage how we have the best of what is available.

Ms Davies—Yes, and we need to be kinder to ourselves. Our generation believes that the only work that is valid work is that which is conducted in a suit, and that is not true. The work that is being conducted on the other days of the week, or the other times of the day, is just as important. There is quite often an employer perception that your other job is secondary and should be made secondary, and that is a really sad thing.

Mr CADMAN—Do you think younger women coming along after you think more laterally? The publishing business, newspapers, is a very interesting area.

Ms Davies—My girlfriend heads the department.

Mr CADMAN—She spotted a hole and she filled it.

Ms Davies—Yes.

Mr CADMAN—Do you think that younger women are better geared or more entrepreneurial or more lateral thinking than your generation or not?

Ms Davies—She is my generation. She is a month younger than me.

Mr CADMAN—I am just using that as an example. Do you think that younger people are aware of their choices and realise that they have to be shrewd about their decisions? Many of them are not having children. Many of them are not getting married. Many of them are not making those sorts of commitments.

Ms Davies—You have to wonder what will happen when they are 35. At 28 I was never going to have children, absolutely never, and I am glad I did not stick with that plan. The other point I wanted to make is that, in coffee shop discussions today, it is amazing how many war stories there are about the conflict that goes on between employers and women in trying to manage employers' obligations to women in the workplace and women's needs. It seems to me that quite reasonable people very quickly find themselves becoming adversarial. There are a few laws which protect women at the moment, the maternity leave one being really important. I am not sure how I feel about the maternity leave issue. It is very onerous on small businesses—

CHAIR—Very.

Ms Davies—and even on larger businesses.

Mr CADMAN—It is very hard to manage as a small business, yes.

Ms Davies—Absolutely. I know of a man who recently had two really terrible experiences with maternity leave, including one where there was a stillbirth and the woman wanted to return to work. He unofficially will never employ maternity age women again, which is awfully sad. I think that when women are in a strong situation, when they are standing on their rights in the workplace and they are trying to negotiate something and their employer wants to make changes, they very quickly stand their ground. It is almost as though they think, 'This is the only patch of ground I can defend. I can't possibly do all of this, so I'm going to defend this bit as hard as I can,' to the detriment of the overall relationship.

Mr CADMAN—That is interesting.

Ms Davies—Most of us have war stories relating to when we announced our pregnancies. I am sure there were people measuring up my office with a measuring tape the day I announced mine. I heard a story recently of a lady who works part time who has school-age children, and she was offered the opportunity to go full time. She did not want to do that. She was then offered the opportunity to go full time on a reduced hours basis and never during school holidays. This was an organisation that was really bending over backwards. She did not want to do that either. Within 24 hours there was a legal letter waiting for her employer.

The situation has now been resolved amicably, but it very quickly escalated to something that was adversarial. Maybe that would not have happened if she did not feel under assault, because she was just barely managing everything and did not feel that she had any other recourse and that all her resources were already fully employed. There is a level of stress out there which makes people snap pretty quickly.

CHAIR—I will go back to the question I asked you: what sorts of solutions do you see?

Ms Davies—I still think that job sharing has potential. I have a girlfriend in Sydney who shared quite a creative and challenging job with a girlfriend, but they set the job share up. They were colleagues before and they both had children at roughly the same time. They made it work. They communicated with each other. It was more stressful than having no contact from the office at all on your non-working days, but those two girls made it work quite effectively and their employer was always happy. I think it is because the two girls drove it.

CHAIR—But you cannot legislate that only people who like each other and can work together may job share.

Ms Davies—No, but the key to that was that the employees took the initiative. They had the responsibility for making it work and delivering the output. The focus of the employer was on the output. He did not care how it happened. They managed to produce really great work. Their role is a creative role, and he got two heads for the price of one and saw it as a bit of a bargain.

CHAIR—Sometimes you can get an overlap. You can get more hours out of two than you can out of one.

Ms Davies—Absolutely, that is the case. I think every time they talked to each other on the phone he was getting a no-charge brainstorm, and I am sure he was delighted. It is really difficult, as you said before, but part time should not immediately mean lightweight. It should be possible to break jobs up so that women do not have to take 60 hours a week or 40 hours a week. You should be able to break them up into two product managers instead of one group product manager, or however it works, so that you can keep all these high-level resources in the employment marketplace, because these women have worked for a long time and they have in-demand professional skills. They have studied. Yet we create an environment where it is really only possible to employ them as accounts clerks. It is crazy.

CHAIR—Employers employ people because they have to make profits for their enterprise. They have responsibilities to be good employers and to be good corporate citizens, and I am talking about large employers here, the sort of thing that small business people can never do. They go into business, like you have, because they want to make a profit and use their talents and their skills. When it comes to problems of additional assistance that individuals need to enable them to use their skills, it seems to me that that is a government responsibility and not an employer responsibility. If you burden an employer with all sorts of additional costs, you are going to make them less competitive.

If you take the example of General Motors in the United States, they are no longer competitive, not because their workforce is not skilled but because they are burdened with things like pension plans and huge health care bills which make them totally uncompetitive with international competition. So we have to be careful that we do not make ourselves, in a global sense, uncompetitive. That is why I think that government has to see that it is in government's interest for the revenue to continue to grow so that we can continue to be a successful nation.

But where we have problems and we need women in the workforce—for the reasons that we need eternal money spent on education, but also for women's fulfilment; they are one-half of the skill pool, one-half of the brains trust, so we cannot deny our nation that too—to me, we have to be looking at things where government can see it has a responsibility to make it possible for a

person to reach their own maximum potential and generate income for the nation. In the area of what governments can do, what would be your highest priorities?

Ms Davies—To create a set of initiatives, which I feel that the government should fund—because we are asking people to make a contribution which will benefit the community—to make it possible to employ these women.

CHAIR—What would those things be?

Ms Davies—They would be perhaps grants or rebates to the employer to make it more economical to employ two people where one might be more convenient: things like deductibility of the genuine costs of working. That is not just the 30 per cent of your car which you might attribute to work; it is the greater cost. In Sydney it is the cost of commuting; it is the cost of nannies; it is the cost of domestic help—outsourcing all of those things that you would not outsource if you were home.

To take it to the extreme, it is questioning whether women who are in a parenting role, or parents perhaps, and who are already making such a community contribution, should be paying the same level of tax. We do that through our parenting rebates, CCBs and all those sorts of things.

CHAIR—And family tax benefit A and B.

Ms Davies—We already recognise that there is a value in their contribution, and we need to extend that to make it more practicable for women to rejoin the workforce.

CHAIR—Thank you very much for coming and joining us today and giving us an insight into the struggles that you and your friends have. It is really very helpful to us to put the human face to what we see as theory from some of the people who give us very valuable testimony as well.

Ms Davies—Thank you.

[11.23 am]

HARRISON-WARD, Ms Josephine, Executive Director, Western Australia Police Service

O'CALLAGHAN, Dr Karl Joseph, Commissioner, Western Australia Police Service

MURRAY, Mr Ford Thomas, Community and Government Relations Manager, Ravensthorpe Nickel Operations

CHAIR—I welcome the Western Australian police commissioner and representatives from the Western Australia Police Service and representatives of BHP Billiton to give evidence. Do you have any comments to make on the capacity in which you appear?

Mr Murray—My role at this hearing is that of community and government relations manager for BHP Billiton on the Ravensthorpe nickel project, which is a project being developed in the south-east of Western Australia.

Ms Harrison-Ward—I am Chair of the Women's Advisory Network.

CHAIR—Thank you for coming before us today. We have your excellent submission. Would you like to make an opening statement?

Dr O'Callaghan—I will make an opening statement, yes. Firstly, just a little bit about Western Australia: it is the largest state in Australia and geographically is the single largest policing jurisdiction in the entire world in terms of area covered. That is about 2.5 million square kilometres. There is no other police agency in the world that has responsibility for that amount of geographic distance. It brings with it, of course, a number of concerns and challenges for policing. We have a lot of regional and very remote places in Western Australia where we have to provide policing services and it is quite difficult in some instances to get people to serve in those locations and to retain people who go to those locations because services are quite scant and they are long distances away.

This is probably stating the obvious but policing is a difficult and potentially dangerous occupation. It does provide a lot of pressure to individuals and families. It is very important then to have a good work-life balance and that is something that we have been trying to work on, particularly with flexible work practices. Police provide a 24/7 response and there are about 6,797 people in the WA Police, of which a bit over 5,000 are sworn police officers and the remainder are support people.

One of the challenges in regional WA at the moment is that some areas are expanding and there is more demand for police service in regional areas, particularly with the booming resource sector in WA. That is one of the reasons that you will be talking to BHP Billiton, who are keen to go into places like Hopetoun in the south of the state. When those services expand, police are required to go in as well and assist with that. One of the challenges that we have is trying to attract working partners to areas like that in WA.

To give you some figures, about 28 per cent of all the personnel in the Western Australia Police are women, and that is made up of 958 female police officers and 939 support staff. Resignations, or separations as they are known among police officers, are about 6.95 per cent of the women. In 2004-05, about 6.95 per cent of women in the WA Police left the agency to do other things. We do exit interviews with everybody that leaves the police and one of the main reasons cited by women for leaving the police is family responsibility. The critical issue in attraction and retention is the ability for police officers to have a work-life balance, the availability of affordable options for child care and family care, and the availability of flexible work arrangements.

There has been quite a bit of research done with women who leave the police and child care is cited as one of the main challenges for women working in policing, because mostly child-care facilities only operate from 7 am to 6 pm in metropolitan and major country centres. There is a much different scenario in regional and remote Western Australia where there are no certified child-care centres—or very few, if any. As a police agency, we are increasingly concerned about our capacity to attract and retain women, but also officers generally in this environment, because it is quite a challenging occupation.

We have introduced a number of flexible work options in the past few years that are being used, and they include things like part-time work, job sharing arrangements, home based work, flexitime. We have a family room facility in one of our major police stations in Perth and we have flexibility around leave and parental care and leave, and we have made re-engagement for people leaving Police a lot easier than it used to be. I will give you an example of that: some years ago, if somebody left policing and wanted to come back, it was our policy to always re-employ them at a rank below that at which they left. There were lots of other barriers for requalification. Basically, these days if someone wants to re-engage or a woman wants to re-engage, she can re-engage at the same rank that she left at, and there are not too many barriers. The other thing that we have been trying to do a lot of internally is to change the culture of thinking about flexible work practices and options for women.

I think, while you can have all of these processes in place, unless you can change the way the rest of the agency views flexible work options, it is unlikely that many of them will be successful. If the people who are not accessing flexible work options resent those who are, you still have a problem notwithstanding you have processes in place. Changing the culture means that it is okay for somebody sometime to go and deal with a sick child or an issue that comes up—'We're not going to be too concerned about that and we're going to facilitate those sorts of things'—but that requires quite a shift in culture. As I said, one of the key factors in women not deciding to come back to policing after they have had a family or once their children are a little bit older is the unavailability of after-hours child care and the possibility that flexible workplace options may not remain available.

Of course, policing is difficult because, while you can have things like home based work in place, the job of a police officer is often on the street and 24/7, and there are only so many support positions that you can put police officers in in any police agency. One of the biggest challenges for us then, if we have women coming back and working 24/7, and they are working in rural and remote Australia, is how do we get them child-care facilities or how do we get them some family support?

One of the things that we are quite proud of is that 22.9 per cent of women in the Western Australia Police currently access flexible work options, and that is the highest in any police agency in Australia, so that is going quite well.

CHAIR—Are they regarded as soft jobs?

Dr O’Callaghan—That has been an issue for us, and part of the challenge is changing that. I will talk a little bit about what is going on in Western Australia. Frontline First, or front-line operative policing, is a great push here, but it is also very important to have support work, like intelligence work and forensic work. They are the sorts of options that women can have, and we are starting a dialogue internally about how important they are, because front-line policing cannot exist without those important support areas as well.

What we want to talk about a little bit today is whether there are ways that government can assist with changes in policies or changes in funding arrangements that could lower the cost of child care or make child care or family services and family support more available for women either deciding to stay in policing, particularly in the remote areas of WA, or wanting to come back to policing.

CHAIR—That is most interesting, thank you. Mr Murray, would you like to make an opening statement?

Mr Murray—Thank you. The similarity that we have with the police is that BHP Billiton is putting in a residential workforce in regional WA. Yes, we are building a nickel mine, but what is really happening is that, through a partnership with the state and the Commonwealth and the delivery of multi-user community infrastructure into the south-east region, BHP Billiton is establishing a locally based workforce that is something other than fly-in, fly-out for a new operation that is very large and will go for 25 years and will directly employ 380 people, none of whom are there yet.

We are in a recruitment cycle and we are trying to attract and retain to regional WA—in this case, the Ravensthorpe-Hopetoun-Esperance area—people to go and live in what are towns of about 450 people where there is not a lot of infrastructure to attract metro type people out of the city of Perth or people from more established regions like Kalgoorlie.

This partnership has seen the state, the Commonwealth and BHP Billiton put considerable funds into this area, currently something north of about \$60 million in housing, and a commitment to make this work. Along the way, we—that is, government and private enterprise—have had to try and address non-physical infrastructure. We seem to be very good at building schools, roads, bridges and things that are physical. Where we seem to be less capable—government and private enterprise—is planning for the softs around how to strengthen communities, unite them and, when bringing in new families, making the ‘them’ become ‘us’ so that they can integrate, so that when mothers come with children they can have time out while their husbands or their partners are at a 24-hour-a-day, seven-day-a-week operating plant.

CHAIR—Will they get the opportunity to work too?

Mr Murray—Yes, very much so. Together, we struggle in this area to try and make all this happen, and the reason we struggle is that it does not happen very often that we are putting in a new residential operation in regional Australia. That might happen once every 20 years or so.

CHAIR—You are building a town.

Mr Murray—The effect of this operation is to grow Esperance and Hopetoun. My remarks predominantly relate to the shire of Ravensthorpe, where we have the towns of Hopetoun and Ravensthorpe, because Esperance does have child-care facilities. How do we, together, extract the value of the investment that both government and private enterprise put into such a residential or locally based workforce for an operation for quarter of a century?

One of the threats in the softs infrastructure is the lack of child care. Firstly, it is establishing child care and then it is the affordability of that child care once it is established. I will come to what we can do about it, but if we are not successful we can end up having a social drift. For example, families are recruited, they move into the town—a small town like Hopetoun—the main carer for the children gets frazzled and they simply do not get time out to integrate and learn how to work and live well within their new environment and they leave. Therefore, the investment that government and private enterprise have put in is at risk and it all sort of unravels.

The challenge that we have is to attract, firstly, a business to go to Hopetoun, in this case, to provide a service that is affordable for families. When the Police Service spoke to BHP Billiton about the case for tax relief or some incentives from the Commonwealth, particularly around this topic, we were quite attuned to that. We think that, through a mix of the Commonwealth providing some tax relief or tax framework to enhance the affordability of child-care services and the state assisting with the amenity itself of child care, this would resonate with the rest of the framework and the rest of the partnership that has been on this project to date.

CHAIR—Ms Harrison-Ward, do you want to make an opening statement?

Ms Harrison-Ward—I think the commissioner has covered it from the WA Police perspective.

CHAIR—Thank you.

Mrs IRWIN—What sort of tax relief would you like to see in place? Tax rebate? Tax deduction? Salary sacrifice?

Mr Murray—The latter. We have not researched it to be able to come to the hearing with facts and figures, but salary sacrifice does have appeal from the Commonwealth's side. From the state's side, perhaps enabling better child-care facilities to go to the regions, with the provision of infrastructure and so on.

Mrs IRWIN—How are you attracting these 380 people? Have you started employing them?

Mr Murray—Yes, we have. The bit that we can do, and the private enterprise side of the fence, in terms of attracting people is to put in a family-friendly roster. Our rosters are even time.

They are four days on and four days off. We also supplement the housing market by building new three by two and four by two houses to attract people.

Mrs IRWIN—Owned by BHP Billiton? Would they be renting them or would they have to purchase them?

Mr Murray—Some are owned and some are rented. We would make them available to employees through a rental scheme, and they would be able to buy them at any time, therefore bringing wealth, stability and long-term community sustainability into the region. That is what we are setting out to do. Through incentives to have new families volunteer in these regional communities and an even-time balanced roster, they are, in terms of balancing work and family, two key planks in our recruitment policy.

Mr CADMAN—Madam Chair, I need to clarify a couple of things.

CHAIR—Yes, Mr Cadman.

Mr CADMAN—Are you worried about getting cops in the town or are you worried about getting staff, or both?

Mr Murray—No, not police.

Mr CADMAN—I cannot understand why you are here together.

Mr Murray—The common ground here is the ability to attract and retain families in regional WA.

Mr CADMAN—Now I understand. So you are talking for BHP Billiton, as an employer, and you, Commissioner, are speaking for your police force and the capacity to get people into remote areas.

Dr O'Callaghan—As a government service provider, yes.

CHAIR—The connecting link is also that, if you are attracting new people, part of the soft infrastructure is law and order reinforcement.

Mr Murray—It is that, and the conversation that BHP Billiton has with the police is well in hand and in a process regarding that topic.

Mrs IRWIN—Has BHP Billiton looked at having an on-site child-care centre to attract workers to the area?

Mr Murray—Yes. There are a couple of illustrations of what we have already done. Where we need to assist a venture with a limited amount of seed funding for a period of time, we do so to allow the business to become viable in its own right. We would do the same for a child-care operator coming into Hopetoun. Where there may be, for example, a loss-making period within a well-thought-through business plan, we will consider seed funding to make it break even in order to get locked in and be a part of the community. We are still struggling to find such an

operator, and we are using a government agency, which is one of the regional development commissions, to lead that search.

CHAIR—From a salary sacrificing point of view, under the ruling of the tax commissioner, if BHP Billiton established a child-care centre on premises that it either owned or leased and then brought an operator in, whereby your employees would get priority but it could take in other children as well, you could enter into an arrangement with them to salary sacrifice whereby your employees would effectively have a tax deduction because they would pay with pre-tax dollars. It is something that the tax office is doing itself. Joe Hockey is about to roll it out to the whole of Centrelink and other agencies. A lot of government is doing it. The police could do it.

Mr Murray—To clarify, does that require the provision of infrastructure—a building—by that party?

CHAIR—You would have to either own it or lease it—that is the ruling of the commissioner—or an associated entity would have to either own it or lease it, but that is getting into the legal complications. You can then bring in, for want of a better name, an operator. They then attract the people who use it, who then salary sacrifice and pay for it with pre-tax dollars.

Mrs IRWIN—Can I follow on from that, Chair, because that was something I wanted to ask the commissioner.

CHAIR—Yes.

Mrs IRWIN—Jo, I noticed in one of your recommendations that you stated that employers should be able to offer child-care salary sacrifice options to their employees. Is this available in the WA Police at the moment?

Ms Harrison-Ward—No, it is not. Salary sacrificing for child care is not an option at this stage for government agencies. We have looked at having a facility on site in one of our areas called Midland, where before the end of this year we will have a sizeable number of police officers and police staff. Because of the nature of the business out there, we would not have a child-care facility on site, we would have it off site, and therefore attract FBT in terms of that provision. It makes it cost prohibitive to look at that from the agency perspective, so we did not go any further into that.

In terms of salary sacrificing, while we would like to have it, aside from the metropolitan area, which has a whole raft of approved child-care facilities which operate during the day, our issue is the remote and regional locations and the nature of policing where the majority of police officers, particularly the women, will have people coming into the house. They do not qualify, even under the 30 per cent rebate that is going to come in. One lady I can cite has three children under five, and she is paying \$1,000 a fortnight for child care. That is a sizeable sum. By salary sacrificing, they would be saving about seven to eight per cent in their disposal income.

Mrs IRWIN—You stated, Commissioner, that you are finding it very hard to attract people to rural and regional Australia.

Dr O'Callaghan—Yes.

Mrs IRWIN—Is it more the ‘older person’? What is the age group that do not want to go?

Dr O’Callaghan—It is more the younger generation. The current new generation of police officers have a different view of life. In most cases, you have two working partners, so it makes it difficult to send people and then have the partners—who might be outside the police agency, working somewhere else—follow them to a remote location where there is no income for them.

One of the other things we are experiencing as a challenge is that more and more we are having to deal with blended families, where a police officer has a new partner but has a family from a previous relationship and has access to that family. Suddenly we are saying, ‘Well, you’re going to regional and remote WA.’ Of course, the access to the family is severed if you do that or you really need to change all those arrangements. It is much more challenging for us than it used to be 15 or 20 years ago.

Mr CADMAN—You have explained some of the techniques you are using for people coming back without dropping back a slot. What are some of the other things you are doing? This is a great challenge.

Dr O’Callaghan—Yes. Are you talking specifically for women?

Mr CADMAN—Yes. In some ways, if you could find a policeman or a policewoman whose partner could do child care, they would be perfect for Esperance, wouldn’t they?

Dr O’Callaghan—Yes, that is true, but it is not always possible to achieve that sort of blend and it is not consistent either.

Mr CADMAN—No. You will become an employment bureau if you are not careful.

Dr O’Callaghan—Yes. You might be able to do it in one round of transfers but you might not be able to replicate it after that, so it is difficult to do that consistently. One of the things about regional WA is that it is recognised as difficult. There are many recognised difficult-to-fill locations. We have a number of options in place to attract officers to those areas. In many locations we pay them a 44-hour week, so they get paid more because they work a little bit longer than their metropolitan counterparts. But they are also happy to do that because there is generally less to do in terms of recreation in some of those country locations.

There are some other incentives and bonuses for working in regional WA. We offer a priority placement when they finish their tenure. If they do one or two years at a regional or remote location, they can get priority placements, which means they can choose a place which is generally more attractive, and move to the head of the queue. It might be on the coast or it might be somewhere back in the metropolitan area that they want to go to. Of course, officers joining the Western Australia Police sign an arrangement whereby they agree to serve in regional WA. That is all okay until you actually ask them to do that and then you get into discussing all of these difficult arrangements that people have and things that prevent them from leaving the metropolitan area or serving in remote locations.

Mrs IRWIN—Do they have an option of saying yes or no to taking those positions up?

Dr O’Callaghan—We generally do not like to force people to go to regional WA because, if you are sending someone there against their will, they are not going to perform at their best. It is not good for them, it is not good for the other police there and it is not good for the community. So we do very few of what we call management initiated transfers. They number less than four or five in a year, and that is only when we are absolutely desperate to provide a service where we cannot get anyone to go.

Mrs IRWIN—Do you have many partnered couples that go to remote and—

Dr O’Callaghan—Yes, we do. They go to remote areas, and they always go together, of course. There are quite a few partnered couples in regional WA.

Mr CADMAN—I have a double-barrelled question. Do people tend to stay in remote areas once they are posted there and have you tried recruiting from people in remote areas?

Dr O’Callaghan—We do recruit from all over Western Australia and, where we can, we try and return people to their place of origin, but it is not something that happens a lot. Many people who go to regional Western Australia and serve there for a period of time make a decision to stay because they like rural life.

Mr CADMAN—Like the lifestyle.

Dr O’Callaghan—But it depends on the attractiveness of the town. We have 171 police locations in Western Australia and many of those are not the sorts of places that people would choose to live their life, so they will go there for a period of time, serve their time and come back. But there are officers who want to settle in the bigger regional centres or the more attractive regional centres like Bunbury, Albany, Kalgoorlie, Geraldton, and we do allow them generally to stay there much longer these days than we used to, and bring up their families in those locations.

Mr CADMAN—Thank you.

CHAIR—I am just reading from the tax office’s ruling. This is an example:

50. D Mining Ltd, with its administrative office in a capital city, conducts mining operations some 1,000 kilometres away from the city and in a remote area. Mining staff are located in a company town about 30 kilometres from the actual mining operations. To encourage more women to work at the mine, D Mining Ltd constructs a child care centre in the town to provide child care facilities for employees requiring the facility.

51. The child care facility would be regarded as being provided in connection with the business operations of D Mining Ltd and the exemption under subsection 47(2) would be available.

That gives you the exemption from fringe benefits tax, which makes it viable.

Mr Murray—From fringe benefits. Right.

CHAIR—That is the essence of how salary sacrificing works. If you still have to pay it, then it does not work.

Mr Murray—One of the things that we are very careful not to create in these small communities, such as Hopetoun—any more than can be helped—is the haves and the have-nots—that is, ‘The mining people: if you’re with the mine, you get child care. You get all these concessions. But we’re not and we don’t and we can’t’—to the point that we have our support service industries outside our fence line—like Coates Hire, Wreckair et cetera—in the community, and we do not have a doctor on site but we are quite happy to help bridge-fund a second doctor and to help the shire transition to a second doctor in the community, so that we have the facilities and the capacity building and a growth cooperative for all to share. It would be the same with child care. We would not like to have exclusive—

CHAIR—Here is a problem. Under the ruling, this is not acceptable. It seems totally unfair but it is still not acceptable:

82. TOT enters into a lease for the relevant premises and enters into arrangements with various arm’s length employers—

that is non-associated companies—

to provide child care services to their employees’ children. All payments are made directly by the employers.

83. Under the arrangements the following ‘legal’ documents are executed—

sublease, management agreement and so on. The commissioner has ruled:

Neither of the legal documents provides for a formal mechanism for employers to participate in a general, overall management committee for the centre.

84. On an objective view, the premises are not considered to be the business premises of any of the arm’s length employers. The employers have no control over the premises and the arrangements are inconsistent with normal business practices.

Therefore, an unfavourable result will arise.

Consequently, the exemption under subsection 47(2) would not be available to any of the arm’s length employers.

That is exactly what you are talking about: if you enter into an arrangement with other employers to share that arrangement, you feel that would be equitable because it would not create haves and have-nots in the community. But that is precisely what the commissioner has ruled against, which is why I think it should be government policy.

Mr Murray—That is exactly right. It is the very core. Once government and private enterprise partner to put capacity into regional WA towns, in this case, and you go through your physical infrastructure and everybody has adapted, the finish line is integration. It is across-the-board community integration in terms of services—the swimming pool is built for everybody, not just for one part of the community. With child care the BHP Billitons of this world do not know how to run child care.

CHAIR—So you bring in somebody else to do it for you.

Mr Murray—You can seed a child-care operator to get going and we are quite happy to do that, but having any more involvement than that, we have our work cut out for us doing—

CHAIR—Even under this arrangement, you can do that, but the question is, how do you give a benefit to your employees? You can do it with salary sacrificing but you have to control it. You cannot do a deal with those other employees to let them be part of the action, because the commissioner says you cannot, which means that small business is being discriminated against. Government departments can do it, let me tell you. It is the tax office's own evidence that they are in a deal with the ABS. But if you had a situation where you could share with the police force, you cannot do it. You would have to have two child-care centres—one for the police and one for you—if you want to give your people the benefit of being able to pay for their child care with pre-tax dollars. Paying for it with after-tax dollars, when they can then claim the CCB and the 30 per cent rebate may be of benefit to some, but it is an effective tax deduction if you do it with pre-tax dollars. It would be interesting to me if you would perhaps go away and think about those notifications and the sorts of changes that might assist you.

Mr Murray—That particular ruling, which would not be successful—

CHAIR—When you share with other employers, arm's-length employers?

Mr Murray—Yes. It has obviously no appeal.

CHAIR—You might like to tell us if you think it needs some amendments.

Mr Murray—We would, here and now, look for a mechanism that is relevant to this situation, because about 50 to 60 per cent of our workforce—we are only in the early days of recruiting them, even though we are moving very quickly—will be couples with children. There are some things that private enterprise simply can do, and that is, where it makes sense, residential—that is point 1. This was a decision taken that is the biggest single social legacy for this project, two years ahead of the plant even being built, that it will run for 25 years. Point 2 is to have a family-friendly roster of four days on, four days off, which is even time and it works. It is the best business can do right now in terms of providing good integration, where the working person, working member of the family, sees the rest of the family—four days on, four days off.

Regarding this last area, if we could have something, with the tax commissioner's support, that would enable child-care delivery into regional WA towns which are growing, it would help the whole integration and social stability process no end.

CHAIR—You can, as we speak, after the budget and uncapped places, get a provider to come in, seed-fund them to establish a child-care centre, which operates to become an approved child-care centre—accent on the word 'approved'—which would then attract the child-care benefit.

Once you get the child-care benefit, you will also be able to utilise the 30 per cent rebate of out-of-pocket expenses capped at \$4,000 a year. That can happen now, but if you want to make it of greater benefit to your employees and offer them salary sacrificing, then you have to comply with this ruling. They are the options that you have, and the police force has the same options.

Dr O'Callaghan—We do, but it is much more problematic in small areas—

CHAIR—Yes, where it is not viable.

Dr O’Callaghan—where you have five or six police officers and there is no approved child care. So if somebody uses a nanny or they use a friend, there is no rebate at all available.

CHAIR—You would think, because you are providing a 24/7 service, that if you could have nannies provided for your officers and attract the same sort of CCB or the same tax treatment as an approved child-care centre, or else tax deductibility, you would have a much more attractive proposition.

Mr CADMAN—Greater flexibility in the choice of child care is what is needed.

CHAIR—Yes.

Ms Harrison-Ward—Absolutely. Just on rough figures, as I said before, the difference is seven to eight per cent in terms of disposable income.

CHAIR—Coming back to your submission, you said that on the exit interviews most of your people who are leaving mention child care and looking after family as the big issue. What about the other problem of caring? Do you hear anything at all about officers and others who have responsibilities to care for a disabled member of the family or aged parents, for instance?

Ms Harrison-Ward—A few situations have been brought to my attention of people needing to look after a disabled or ailing parent. From the information I have—and I would need to check it thoroughly—I have not seen any that have resigned for that reason. We have allowed those people to take up the flexible work options of part time and things such as that, which has suited their needs.

CHAIR—Let me give you an example. When I was Minister for Defence Industry, Science and Personnel, because we were deploying people quite regularly into isolated areas, the question of children with special needs was a real issue. Life was very tough for those people. If they went interstate, for instance, they might have set up a support network in one state that was not transferable. There were enormous problems. With the help of a self-acting group within Defence, we established a whole lot of policies to make it easier for people, so that they would be able to go ahead of the deployment to make arrangements and so on. Do you have any policies like that for families who have disabled members?

Dr O’Callaghan—We have a policy of exemption from transfer to regional WA where people are primary caregivers for aged parents or somebody else or who have children or members of their family who require ongoing medical or special care. We would generally exempt them from having to serve in regional or remote WA. In fact, we do that in all instances where they bring that to our attention. We have a process of transfer review where people can appeal against a transfer that has been issued. They often raise these issues and they are then exempted from service.

CHAIR—What if they want a transfer? What sort of backup do you give them?

Dr O'Callaghan—We can, in some instances, transfer them to some of the larger centres in Western Australia where there are some of those facilities. It becomes very difficult if they get transferred to the most remote locations, so we would dissuade them from opting to go there.

CHAIR—But you give them backup. What sort of backup do you give them?

Dr O'Callaghan—If they have children that require special needs education, we will connect them with places in, as I said, some of our regional centres where there is special needs education available. We do it that way. If they are a primary caregiver and they want to take the people they are caring for with them, we also provide them with substantial housing these days. Housing is much better than it used to be and generally, if they do not have a very large family, there is room for other people in the house.

CHAIR—Is housing for police fringe benefit tax exempt?

Ms Harrison-Ward—I would have to check that. The arrangement we have in most locations is through the GEHA policy, the government housing scheme, so I assume it would be exempt, but I would need to take that on notice and come back to you on that.

CHAIR—It is interesting, isn't it? How would the fringe benefit tax apply to state government instrumentalities?

Ms Harrison-Ward—I am not sure.

CHAIR—I will have a look at that.

Dr O'Callaghan—We pay an FBT if we pay their rent, though, don't we, in those places which are rent-free?

Ms Harrison-Ward—We would do. We have some places where we do, because they are considered hard-to-fill locations.

CHAIR—Yes, there is a narrow exemption, I think, for that.

Ms Harrison-Ward—Yes, there is, and there are some areas throughout the state where there is no maximum tenure and officers have purchased their own houses, so they are supplying their own houses.

CHAIR—Okay.

Mrs IRWIN—Getting back to flexible work options that you have introduced, Commissioner, how many men are taking up those options?

Dr O'Callaghan—Do we have the figures for that one, Jo?

Ms Harrison-Ward—I am not sure.

Dr O'Callaghan—I am not sure if I have the figures for men. I would say that it would be substantially fewer than women. While we have some, I do not have the exact figures. I can take that on notice.

Mrs IRWIN—That would be great. On page 9 of your submission you have:

Government policy and systematic changes that would assist

As one of the changes for employees, you have:

Equity of Government funded support for casual/nanny and other overnight and emergency child care coverage.

Are you hearing that from partner couples who both might be in the police force who have shifts such that they are finding it difficult to get child care for those hours?

Dr O'Callaghan—One of the challenges is emergency call-outs. For argument's sake, a person who is a primary caregiver for a child in regional WA and who has a job like a scenes of crimes officer and has to go the scene of a crime at three o'clock in the morning has to then find some care immediately for their children. That can be problematic. It is not something that is all that common. In regional WA where there are partners, generally they can work with the station sergeant or the OIC to make their shifts work for them. There are good points and bad points in being on separate shifts. If they are on separate shifts, one can always provide care for the children, but they never see each other.

CHAIR—They would pass like ships in the night.

Dr O'Callaghan—In some instances we have complaints about the fact that they are on separate shifts and in other instances we have complaints about the fact that they are not on separate shifts. It depends on the individual cases, but we try to be flexible with the rostering as much as we can. It is still problematic, particularly in a sole parent scenario where they are required in regional WA to come out sometime in the night to attend something that has occurred and they do not have any immediate care for their children.

Mrs IRWIN—In that scenario, like with the nannies, what would your suggestion be? A tax deduction, a tax rebate or salary sacrifice?

CHAIR—Certainly in your suggestion you are keen on salary sacrifice.

Mrs IRWIN—That is right, very keen on it.

Ms Harrison-Ward—We are, and/or the schedule. There are a lot of people who currently do not qualify for the 30 per cent rebate, so they do not have access to that. If they were changed to enable those more ad hoc arrangements, that would also provide a benefit to the employee.

CHAIR—There could be choices.

Ms Harrison-Ward—Yes, choices would be excellent.

CHAIR—You could have one salary sacrificing and another may have a live-in nanny. There are a limited number—2,000 or something—of in-home care places but, as we heard from one of our earlier witnesses today, the bottom line says they cannot do any private domestic chores. I am sorry, but they go hand in hand.

Ms Harrison-Ward—Absolutely.

CHAIR—That could only have been written by a bloke who had never done it.

Mr Murray—That's not me!

Ms Harrison-Ward—I think we all like going home to a clean house.

Dr O'Callaghan—I can now answer that previous question you asked about the number of men. The total number of women accessing flexible work options is 420 and the total number of men is 58.

Ms Harrison-Ward—That is at 31 May this year.

Mrs IRWIN—Thank you very much for that. Can you tell us a little bit about the home based work that I think, Commissioner, you mentioned in your opening statement.

Dr O'Callaghan—Officers who are doing project work, or are given project work for a specific period of time, can generally, because of the access to systems remotely, work from home. They would be able to work on the project and then submit the project via the system. One of the challenges of doing that is to make sure that you set outcomes, so that outcomes are achieved within a particular time frame, but then you let the officer manage his or her own time in that process. Being able to telecommute these days makes that a much more possible thing to do, but it is always a challenge in policing because many of the jobs require the officer to be out on the street.

Ms Harrison-Ward—It gives an option that we provide for up for six months at a time. The majority of those at this stage are across the corporate areas.

Mrs IRWIN—You also mentioned that for a number of women who are exiting the police force and for a lot of those who are coming back, one of their main concerns was child care.

Dr O'Callaghan—Yes.

Mrs IRWIN—Do you think if there were a good child-care system put in place we would attract more women to the WA Police?

Dr O'Callaghan—I think we would and I think we would get more women re-engaging after they have had children. If they take two or three years off and when their children are a little bit older they want to come back to work, if they could access child care at a reasonable cost I think they would come back.

Mrs IRWIN—They will then come back on the same level of pay or grade that they—

Dr O'Callaghan—We would guarantee now to re-employ them at the same level they were on when they left. If they left as a sergeant, they would be re-employed as a sergeant; if they left as a senior constable, they would be re-employed as senior constable. They are not disadvantaged. As I said, in previous times we had a system whereby we would re-engage everybody—men and women—at one rank below. That is not an incentive to come back.

Mrs IRWIN—We have heard this from a number of the submissions. Women have started to climb the career path and they leave for two or three years to have a family and they find they are then at the bottom of the scale and they have to climb it again.

Dr O'Callaghan—One of the challenges, of course, will be that, when they are out of the workplace for two or three years, they will have to make sure that they keep some currency with what is going on so that they remain promotionally competitive as well. We need to think a little bit more about those sorts of options.

Mrs IRWIN—What options would you like to see in place? Let us look at the big picture. If a female was leaving the workforce for three or four years, would she be looking at retraining while she was on leave?

Dr O'Callaghan—Yes. Some of the responsibility falls to us to make sure that they can have access to ongoing training and some currency: access to information so that they know what is going on, what has been developing in Police, during the time they are away.

Mrs IRWIN—A very good idea.

Dr O'Callaghan—A lot of that falls to the way we manage it, not so much to what the Commonwealth might do for her.

Mrs IRWIN—That is what we are hearing from the majority of women. They have left the workforce for five, six or even seven years; they have lost their skills and when they want to come back in they find it hard to get retraining. But you are going to provide that.

CHAIR—I think we are just about at the end of our time. Do you have any other questions?

Mr CADMAN—No. That has been very good. I want to compliment you on your very constructive submissions.

Dr O'Callaghan—Thank you.

Mr Murray—What was that tax ruling?

CHAIR—Tax ruling 2000/4, 'Fringe benefits tax: meaning of "business premises"'.

Mr Murray—Thank you.

CHAIR—We have just received a supplementary submission from the WA Police, which is a spreadsheet of different forms of remuneration and people who can and cannot claim CCB and

the rebate, which will be very useful to us. Would somebody move that we authorise this additional submission tabled today.

Mrs IRWIN—So moved.

CHAIR—Thank you.

[12.14 pm]

STANLEY, Professor Fiona Juliet, Director, Telethon Institute for Child Health Research

CHAIR—I welcome Professor Fiona Stanley. Do you have any comments to make on the capacity in which you appear?

Prof. Stanley—Yes. I am the Executive Director of the Australian Research Alliance for Children and Youth; professor of child health at the University of Western Australia; passionate advocate for children and young people.

Mrs IRWIN—Hear, hear!

CHAIR—Thank you very much.

Prof. Stanley—Do I give you these submissions? What is the process?

CHAIR—We would be delighted to receive that submission. You could do it by way of a statement and then, if you hand us a copy, we will receive it.

Prof. Stanley—It would be good if you actually have a copy, because there are some things at the front, as I am giving my statement.

CHAIR—Thank you. Would somebody like to move that we receive this submission from Professor Stanley as evidence into the inquiry, and authorise it for publication?

Mrs IRWIN—So moved.

CHAIR—Thank you very much. Professor, perhaps you might like to make that opening statement.

Prof. Stanley—Yes. A lot of the information that I have in this statement came from a book that I wrote with my colleagues Sue Richardson and Margot Prior called *Children of the Lucky Country? How Australian society has turned its back on children and why children matter*. I should say that I am not an economist; I am a child health researcher. I do not quite know how to classify myself these days; probably an epidemiologist. I am interested in patterns that occur in the population, so I will not be talking about child care specifically. I have, I guess, a more global view.

The major concern that I have about today's problems for children and young people is that, in spite of our economic prosperity, we are seeing a rise in many of the problems, or at least no improvement in problems. Even as alarming as that is an increase in the inequalities in those problems across society. So this debate that you are chairing and having is a really crucial one for Australia's future.

The first little diagram I have on the submission is an argument which you do not need to see, but I think it encapsulates why it is so incredibly important for Australia's future that we have the majority of children who are mentally and physically healthy reaching their educational and social potential, because then most young people will and we will have an intellectually competent and emotionally capable workforce and we will have national economic prosperity.

Most people forget, though—and I am sure you do not—that the other important aspect of a healthy group of children coming through is that they will not be a drain on the welfare budget, the mental health budget, the health budget, on the criminal budget and so on, so the health and welfare budgets will not be draining Australia's capacity. Of course, the kids who are having problems today are going to be parents in a minute, and the next generation therefore of parents needs to be socially and emotionally competent. Therefore, we get the cycles of economic prosperity and national capacity. That is really where I am coming from.

People talk to me and say, 'Oh, you're always so gloomy.' When you see some of the data that I see, then I have to be gloomy in order to say, 'We have to acknowledge what's happening in our society and it ain't going well.' What I have done with the submission is, as much as possible, stick to your terms of reference and look at some of the issues, particularly the disincentives to starting families, and some of the things that we looked at in the book. A lot of this work comes from Sue Richardson at the National Institute of Labour Studies in Flinders.

Mrs IRWIN—There are some very good recommendations in that book as well.

Prof. Stanley—Yes, and some of them I have obviously put in here. I do not need to go through all of the aspects about the changes: the falling numbers of children to women; the increasing proportion of women who will not be having any children which has gone up from nine per cent in 1930 to 25 per cent now—it might even be higher. Of course, professional women are the ones less likely to have children than those in clerical and sales positions and so on.

Along with more education that women are getting, it is more likely that they will keep working and return to employment more rapidly, but the difficulties of not having a salary and child care and so on may be a disincentive to women having a family. As an aside, it is interesting that I think we have started to reverse the fall in fertility among some of the older women by telling them how difficult it is to get IVF once they reach 35, and that message is getting through. We have put out a lot of data on that.

I think the thing that is worrying here about the disincentives to starting families is the effect of the change in the workplace on men. The proportion of men who have a partner and a full-time job has fallen dramatically from 80 per cent to 65 per cent for the 35- to 44-year age group and from 70 per cent to less than 50 per cent for the 25- to 34-year age group. That is a very strong reason for men to opt not to have children. They cannot afford it.

I want to go back to the front of the submission with this second figure to look at the change in distribution of hours worked for all those employed, comparing 1979, which are the little diamonds across there set at 100, with what has happened in 2005. I am sorry, we have not put Sue Richardson's name on here but we need to. This is data from Sue Richardson in 2006. I think it is important that I acknowledge that. You can see that the most desirable work for

someone who wants to be a parent is around 40 hours a week of secure employment. They have enough income to be a parent and they have enough time to be a parent. There has been no increase in these jobs at all since 1975.

There has, however, been a 300 per cent increase in jobs with many more hours—50 to 59 hours—and these are not all professionals. Some of these are, in fact, the fly-in, fly-out and technical people that are required and so on. They are not all lawyers and doctors and so on, although some of them are, of course, where you might have an income but you do not have enough time to be a parent, and you certainly do not have time to be a not tired, not harassed parent. The worrying one is the well over 300 per cent increase in insecure one to 15 hours a week temporary jobs, which of course is going back to that—

Mr CADMAN—Could they be jobs by choice?

Prof. Stanley—Of course, and women and students—people like that—may want to have that kind of flexible employment. The thing is that, when Sue looked at that data in more detail, it was across the board. Most men would not want to have insecure work of about 15 hours a week. Everyone talks about women delaying their pregnancies. I think that a lot of the decrease in fertility was also men delaying their fertility because of that. When you put all of that together, these sorts of trends in the workplace are not only a disincentive to starting families, I think they are not very conducive to healthy child development, something that is absolutely crucial as a building block for the future economic and social prosperity of Australia.

Your second point was in relation to making it easier for parents, who so wish, to return to the paid workforce and what we should do. If we want to have children and we want to have successful future participants in Australian society, we have to think about who cares for kids in this new world of women working and being educated and so on. Of course, now that they have choices, not all women are opting to say, 'I'm still going to be the housewife, the cleaner, the child carer and the worker.' As I say here, it must become normal for employers to recognise that their employees have home lives and important work to do in raising their children. Of course, they have other things they do as well, like volunteering and other things that are good for the social fabric of society, but we are talking here about children. Employers must take some responsibility for making it possible for their workers to do this well.

I think that in the workplace we have to limit the number of claims that the workplace makes on workers and allow flexibility for working parents. I think that reducing the number of working hours would be good for everyone's health. There is a lot of data, as you know, about stress in the workplace, so that is another issue. Rich community based environments for children of various ages must enable appropriate care for children when their parents are at work. This should not just be funded by governments but by business, by parents themselves and by local government. Local government has to be brought back well into the fold to provide the kind of care that is closest to the people that they are representing.

Mr CADMAN—I am sorry, I have to leave. I would love to stay and hear the lot.

Prof. Stanley—That is all right. It is all in the book, as they say. We have to listen to what women and parents want in terms of this joint work and mother role and we have to say to

fathers that there is to be a greater commitment to sharing more fully in the care of their children. Parental leave is absolutely vital.

Mrs IRWIN—How do you educate fathers to change their attitudes?

Prof. Stanley—I think it has to be done by a culture shift; I agree. There are lots of ways that that can happen. We are doing it with footballers at the moment in Western Australia, encouraging them to be supportive of their wives breastfeeding and having a greater role in the workplace. You get the most ocker guys to come out, who are more involved in the care of their children. There are lots of ways to do that, but it is an important aspect of child development for the future, because to abrogate that responsibility is going to be damaging. That one is a challenge.

Only a quarter of private sector workplaces and 60 per cent of public sector workplaces offer paid parental leave. Of course, women who are in the lower paid jobs—part time and casual—are the ones who do not get it. In the UK in 2005 women were allowed 26 weeks of paid maternity leave, and Blair promised to raise this to 52 weeks. In Sweden parents are entitled to 15 months of paid leave, and you get the full amount if the father takes time off as well. The flexibility of parental leave in Sweden is also fantastic. You can take it at any time in the first five years. You probably know all of this.

CHAIR—They also have horrendous tax rates.

Prof. Stanley—They do.

CHAIR—This country is not prepared to trade off those sorts of tax rates.

Prof. Stanley—I think it is the way you sell it. There is quite a lot of good data coming out from—

CHAIR—There is no good data that says big taxes are good.

Prof. Stanley—There is data coming out from the Academy of the Social Sciences report on what Australians think, and there is some evidence in there that they would accept increased taxes if they were going to be used in ways that were supportive.

CHAIR—I think not!

Prof. Stanley—Anyway, that is not my area of expertise.

CHAIR—It might be what they say but it is not what they mean.

Prof. Stanley—As I say, I cannot comment on that because I do not have that expertise.

Mrs IRWIN—I like the Swedish model.

Prof. Stanley—Many European countries do not have the high levels of children and youth problems that we see in Australia, nor do they have the inequalities in those problems. You could

say, 'Well, they don't have Aboriginal people,' and that is true, but even if we take Aboriginal people out of our analyses there is still a much greater inequality across the community than in some European countries. I am talking about outcomes here, not income.

The third term of reference is about the way in which we can help in terms of families and their choices in balancing work and family life. Of course, the economy really has its impact on children through their parents. If you are poor, there is definite evidence that that is bad, but once you get to a certain level of income there is little data to suggest that increasing family income produces better outcomes for kids. There was a terrific study done by Barbara Pocock and others. They interviewed lots of children all across Australia from very many different kinds of families, and most of the kids said, 'We know Mum and Dad have to pay the bills but honestly we'd rather have more time, and particularly we'd like to have more time with Dad.' I thought that was a very powerful comment.

If you look at families, there is not as much inequality in families as there is when you just look at workers, and of course that is because families have two earners and the second earner can contribute, but the other major reason is government payments to families with children. This has been a magnificent investment by government in overcoming what within other countries is a really dire situation in terms of inequality that comes from unemployment or inadequate employment to support families, and I think that is a great triumph of public policy. As I say here, it clearly demonstrates that governments are not helpless in the face of the negative force of globalisation. Of course, there have been positive aspects as well. The last point there is:

The workplace has actually become very hostile to parents and, hence, to children. Many men are finding it hard to obtain adequate full-time work and, hence, to be breadwinners or even to find a partner. An increasing number of men and women are accepting part-time and casual work because they cannot find full-time jobs, and that's negative for their children.

There are general observations at the end. As I have said, child development is important for the future economic prosperity of the country. I think that parents need to be viewed and supported as champions by the workforce and by society generally if we are to ensure Australia's future capacity. It should not be as hard as it is to have parents in the workforce, and the responsibility for child care needs to be spread across all of the groups in society—as I have said, employers, government and parents.

I am concerned about the trend in child and youth outcomes and the increasing inequalities. I do not just mean here inequalities in the outcomes that I have mentioned—the educational outcomes and the health outcomes and crime and so on. The federal government has supported a wonderful project that we have been involved with called the Australian Early Development Index which has been funded by FaCSIA. When we map the early development index, which is a measure of child development and wellbeing at age five, there is quite a variety across society.

When you map the kinds of services that are absolutely crucial for children—how long it takes to get a GP; whether there is green space; whether you are close to a library; what kind of housing you have; whether you have a health nurse that you have access to et cetera—it all maps the wrong way. In fact, we have inequality in all of the things that are good for children mapping the wrong way in terms of child development and parental access. This is what you are all about:

getting it right early is vital if we want to make good outcomes for kids. I am sorry to have gone on a bit too long for that.

CHAIR—No. That was excellent. Thank you very much.

Prof. Stanley—It is a bit of a global overview.

Mrs IRWIN—I think you have answered all the questions that we wanted to ask you.

CHAIR—I am particularly interested in your early development index.

Prof. Stanley—Yes. Good.

CHAIR—It is quite important stuff.

Prof. Stanley—Can we send you some information on that?

CHAIR—Yes, please.

Prof. Stanley—I was with Mal Brough at a Hunter Valley social dialogue a month or so ago, and send a whole lot of stuff to him about it. We could send you exactly the same documentation.

CHAIR—That would be great.

Prof. Stanley—I think you will absolutely love it. We would like this to be rolled out across Australia; it has certainly been rolled out across South Australia. We have worked with Frank Oberklaid at the Centre for Community Child Health in Melbourne and our institute, and through the alliance of course, to validate this. It is a Canadian index, developed in Canada, and we have modified and validated it for Australia. It is an extremely good measure. It is not an individual test of children's readiness for school, to say, 'You've failed and you've passed.' It has five domains, from physical health and capacity right through to social, intellectual and cognitive development. It is done by the primary school teacher in the first year of school, but it is a population measure, so you can use it to look at a community or you can look at a group—like Aboriginal people versus non-Aboriginal people or non-English-speaking parents. It can be used as a tool to measure—population measure—how well we are doing in terms of the development, brain development, child development.

It is an incredibly exciting tool. You can use it, therefore, to measure early intervention, seeing whether enriched child care that is being provided is benefiting children, so it is a good measure for Communities for Children stuff that the federal government is doing. We have mapped the AEDI against those Communities for Children projects. That has been fantastic. It predicts school performance; it predicts later psychosocial problems; and it predicts child and youth mental health problems.

Mrs IRWIN—This is from the age of what, six?

Prof. Stanley—This is five years of age.

Mrs IRWIN—Kindergarten.

Prof. Stanley—So rather than having to wait and see whether your program prevents child suicide or youth suicide or kids doing crime et cetera, you have an early measure saying, ‘Are we on track here?’ The other thing is that it has been used as a tool, particularly in British Columbia but also here in the north metro—we piloted this tool first in the north metro in Western Australia—to change the community assets and facilities for children and their families. In British Columbia, for example, once the information was given back to communities—to the agencies and the people who were providing services for children in those communities—it had quite an amazing impact on the focus and their funding. They went back and did the AEDI again and found that there had been a dramatic change and improvement. So it is a tool for community capacity building in terms of families and children. We would be delighted to send you information on this index.

CHAIR—Schoolteachers will tell you that they can pick in the playground which kids are going to be future criminals.

Prof. Stanley—Yes. There is another book that you might like to look at, which is incredibly relevant, given that we have just had a young man murder a young girl in a shopping centre here. It is called *Ghosts from the Nursery*. It is about children who kill children, and 99.99 per cent of these children had the most appalling childhoods themselves, with multiple opportunities for intervention which were not taken up or which failed. You are absolutely right: teachers can almost predict who those criminals will be. Richard Tremblay from Montreal has the same kind of data—he has been in Australia recently—to show that this aggressive behaviour can certainly continue and we need to know how to intervene with those groups of children to effectively give them the kinds of support that they need and to enable pathways to be more positive rather than negative.

CHAIR—It might be that many of those children are going to have some sort of syndrome or unidentified disability.

Prof. Stanley—Yes, you are absolutely right. The other thing is that there is a propensity to rank schools on how well they do in terms of their scholastic achievements; in my opinion and I think in the opinion of anybody who has any kind of rational thinking about this, the kinds of schools that should be rewarded as being the best schools are those that do well, depending on the kinds of children who enter their doors. If you have a great group of people with fantastic parents and a lot of resources and very bright kids coming into your school and you get very good scores at the end of the year, okay, you are pretty good. But the kind of school that is dealing with kids who have a high level of problems on the AEDI, that has dysfunctional families and parents, that has a proportion of kids who have foetal alcohol syndrome and so on, and still manage to get some kids through the school, needs a bloody medal.

CHAIR—That is not what parents are interested in.

Prof. Stanley—No.

CHAIR—They are interested in having their children go to the schools where they have a homogenous group.

Prof. Stanley—I know. But it is very dispiriting to the school when they have done so well with a group of children who are very difficult. If you are going to rank schools, you should at least adjust for something like the AEDI on entry. You can say, ‘Well, given the population, we have done this well.’ There are lots of ways in which this index can be used, and should be used. It may well be used also to give extra resources to those schools who are taking in a high percentage of children who are classified as vulnerable on the AEDI. There were some groups in the northern metro where well over a quarter of the children were vulnerable on one or more indices—nearly 30 per cent in fact. There were some where there were virtually none. It is a very interesting index to work with.

CHAIR—We will be interested to see that.

Prof. Stanley—Yes.

CHAIR—I think you have done work on having at least one year of preschool which is about learning, not about minding. In France, at the age of three, there is a place for every child in a preschool which has a learning environment. It is not compulsory to take it up, but it is available, and they have a pretty good education system.

Prof. Stanley—Yes, they have. France is one of the countries in Europe where you can look at outcomes and they are superbly better than Australia, Canada, the US, the UK.

CHAIR—This is outcomes for what?

Prof. Stanley—Outcomes for child and youth—all of the outcomes that we are particularly interested in like behavioural problems and mental health problems and so on. But there has been a culture also in France of valuing parenting for a long time, as there is in Sweden and Holland. The provision of this early child educational support in France is yet another plank in their general support for motherhood and parenting. They actually pay parents in France to attend antenatal care and education.

CHAIR—They are missing out somewhere because they are going to have more riots.

Prof. Stanley—Exactly.

CHAIR—They might have these but they do not have a migration policy.

Prof. Stanley—Yes, immigration is the issue there. When you look at brain development, it is so much more rapid in the first five years of life than almost any other time except when I guess you enter teenage years—there is also another rapid brain growth. But the brain growth that occurs—well, conception—from birth is unbelievable. When you look at these photos of neurones from birth, it is extraordinary. The teachers and the preschool educators in France are some of the highest paid and highly qualified. In other words, they acknowledge that when the brain is developing so rapidly—

CHAIR—They need some direction.

Prof. Stanley—they need the best investment, rather than later on.

CHAIR—I heard a paper given recently that talked about kids at the age of two. We call them the terrible twos, but the paper that I listened to said that children are actually very aggressive at two and that if they had that degree of aggression in them when they were fully grown they would be unstoppable.

Prof. Stanley—Half of them would be dead.

CHAIR—They would be just so dangerous, and all the things that we do about teaching and learning how to behave—

Prof. Stanley—Learning how to control our emotions, yes.

CHAIR—That is something we have to teach. There is nothing innate about it.

Prof. Stanley—That is right.

CHAIR—It is all learned behaviour.

Prof. Stanley—Yes. When you look at the brain, there is a huge amount that is genetically determined—the whole structure of the brain and what neurones you produce et cetera—but apart from that everything that happens to the brain subsequently in terms of which neurones connect with each, which circuits happen, whether you can see or hear or interpret or think is all about how those neurones interact with the environment. The fabulous data now coming out of research internationally is showing that how a mother or a father picks up and nurtures and breastfeeds and cuddles and talks to a child switches on genes that are important for brain development.

This is called the epigenetics, and is about how during development this exquisite timing happens where in fact you can miss the boat. For example, if you cover a monkey's eye at birth, and everything is normal—the eye is normal, the optic nerves are normal and the brain is normal—and you take that patch off after a month, the monkey will never see, because at the very time when that brain needed to be programmed for the visual pathways it did not happen. That is scary, isn't it?

CHAIR—Yes, it is very frightening.

Prof. Stanley—It is very frightening. That is why we now have amazing biological data to support this social research that has been going on for years. Whenever I talk to my Aboriginal researchers in the institute about the fact that we are studying child development and breastfeeding and all of that, their response is, 'What are you studying that for? We've known about that for 40,000 years,' and I say, 'Yes, but we've forgotten it.' Now we have this biological evidence of the crucial importance of intra-uterine and early years in terms of brain development.

CHAIR—We found some quite interesting evidence in our adoption inquiry—

Mrs IRWIN—Yes, the adoption one was very interesting.

Prof. Stanley—Absolutely.

CHAIR—about children who were institutionalised, and one of the examples was of a child that had been left in a cot for 20 months. When they were finally adopted, they had to be taught to push themselves up as distinct from pull themselves up, because that was all they had learned—

Prof. Stanley—That is terrible.

CHAIR—and how to connect with another human being.

Prof. Stanley—I think that the evidence from the Romanian orphanages was that after six months the capacity to get those kids back on track was significantly harder, or impossible, compared with the children who were adopted out under six months of age. This is powerful evidence that we absolutely have to get this right in terms of—

CHAIR—It makes that learning process so much more—

Prof. Stanley—Absolutely.

CHAIR—Why did we pick five in the first place, and six for Queensland? Why was that age—

Prof. Stanley—It is interesting, isn't it? In Sweden they start school at six and seven. Fraser Mustard, who has just been out here in South Australia and Western Australia and who has been spearheading the children's agenda in Canada, does not like to call child care 'child care'. He wants to call it 'early childhood education'.

CHAIR—But it isn't! You have to make that distinction. There is care, and that is all it is, and then there is education.

Prof. Stanley—The point being, though, that if you make 'care' nurturing in an environment that understands child development from day one, from birth—if parents and child-care workers understand child development, what is happening in that brain, what is important to that child, it is actually education from day one. Of course it is. You have all these silos, of course. Children do not know about the silos. They do not understand that this is a child-care silo and then at age two they are supposed to be in an education silo and then when they get to school it is another silo. They actually have just got their brains developing and are using all their environments to educate their brain and to make it form. Fraser Mustard does not like calling child care 'child care'. All of it is education, and it is from day one.

Mrs IRWIN—You mentioned child-care workers. I think in one of your recommendations in the book you suggest bringing their wages up to get more talented people in the system.

Prof. Stanley—Absolutely. Often you talk to primary school teachers or child-care workers or childhood nurses and they say, 'Oh, I'm only a teacher,' 'I'm only a child-care worker,' 'I'm only a nurse,' so it is not going to attract people into it, whereas the French, as I said, have said,

‘These are the most important people for children at a crucial age of brain development and we are going to make them highly trained and very good.’

Mrs IRWIN—They are teaching Australia’s future, aren’t they?

Prof. Stanley—Absolutely, yes. It is interesting when you look at the Canadian data: child care does not really impact the outcome of children in advantaged situations. For disadvantaged children from poor families the influence of really good child care is enormous. I was involved in a randomised controlled trial ages ago when I was starting off my career in inner-city Baltimore. It involved black teenage mothers who probably had IQs that were well below 100 and the trial looked at four mornings a week of enriched care for the mother and her infant for two years and the control group got an educational pamphlet or something like that. At the end of the two years there was a 25-point IQ difference between the infants and a 10-point IQ difference between the mothers. That would have made the world of difference for these children.

CHAIR—The mothers’ IQ increased as well, so that learning capacity increased.

Prof. Stanley—That was powerful, and there have been quite a few studies and you probably have been shown those studies.

CHAIR—That is interesting. How old were the mothers?

Prof. Stanley—The mothers were 18, 19. We can put down neuronal circuits ourselves, Bronwyn, actually. We can go off and learn the piano. It is interesting how that can still happen.

Mrs IRWIN—My daughter teaches in a very disadvantaged school and she gets frustrated quite often. She can tell the difference between a child that might have had child care or preschool and a child that never had that.

Prof. Stanley—Yes, that is a very good point.

Mrs IRWIN—They can colour in. They know their alphabet. They can write their name.

Prof. Stanley—Yes.

Mrs IRWIN—Resources should be in place for all children from a very early age.

Prof. Stanley—The WA Aboriginal child health survey, which we have just completed the third volume of, is looking at education for Aboriginal children in Western Australia. It is a survey of 5½ thousand Aboriginal children across all communities—urban areas, everything—with a nearly 90 per cent participation rate. It is an unbelievable survey. About 45 per cent of Aboriginal children are not ready for their first year of school and, as they go through the school system, that has not improved at all.

CHAIR—If you miss out this chunk here and you miss out on your basic building blocks, you will never catch up.

Mrs IRWIN—How do you change this attitude of, ‘Oh, no, it’s government that can make the changes’?

Prof. Stanley—No, everybody has to be concerned about this.

Mrs IRWIN—It is everybody.

Prof. Stanley—That is the big message we have been putting out.

Mrs IRWIN—Regardless of political persuasion, we all have to work together in partnership.

Prof. Stanley—Absolutely. People have to realise and business has to realise that it is not just about secondary school education and so on. It has really got to be very early on. The World Bank has got it. We are involved in a large project with the World Bank now. They are just starting to roll out the AEDI across our region. We have got too much on at the moment. The World Bank has absolutely got this as being the most important building block for the future. Our society at the moment has this challenge of how we actually provide for this precious group of brains. It is the responsibility of all of us.

CHAIR—We are born pretty much a blank slate, aren’t we?

Prof. Stanley—Yes, exactly.

Mrs IRWIN—Fiona, if you were writing the legislation, what would you like in it?

Prof. Stanley—I think that is a wonderful question! I cannot write legislation. I do not know anything about the law, as you know, and all that sort of thing, but I think what would be fantastic is to have parents on pedestals. In other words, let us put children and their parents in the middle of all of this. One of the things I wrote in a recent *Sydney Morning Herald* article is, ‘Rather than just having an environmental impact assessment about legislation, let’s have one about kids.’

It is not just about this legislation: let us look at all of the legislation that is introduced and all of the policies that are introduced, and do some modelling about how it is going to impact on families’ capacities to raise their children in ways that are loving and nurturing and so on. I would look at this legislation from the point of view of the families, of the working parent or the parent who is staying at home but might want to go into the workforce when their child is a certain age, and say, ‘How can we map this support for parents around the diversity of needs and the diversity of capacities and so on?’—if there is a way in which we could encourage the workplace to provide the best kinds of conditions for parents; not just child care, not just parental leave, they are crucial aspects of it, but to look at the kinds of conditions under which the parents are working, the flexibility and so on that we mentioned as well. It would be good if this could be a package.

The problem in the middle is the parent and the child and there are all the facets of support that need to be put in place around that parent and child. It is not just about getting adequate child care: it is about getting child care that is really good; that has this sort of acknowledgment that it is education from day one; that is affordable and close to where you are—therefore, local

government I think has to be part of this as well as the businesses—and to acknowledge that these people are much more than just workers. They are parents and people who have decided to have children for the future of the country.

CHAIR—I did not have my children for the future of the country; I had them because I loved them.

Prof. Stanley—Yes.

Mrs IRWIN—Wasn't it Peter Costello who said, 'You've got one for the country'?

CHAIR—I think somebody actually said it before he did.

Prof. Stanley—The leading research is that if you have between 25 and 30 per cent of people saying, 'I won't have a child,' and they are saying—

CHAIR—But they do not say that. A lot of the evidence that we have taken says that there is a mismatch. One of the interesting stats we have is that we are at about the same position that we were in 1911, but the difference is that in 1911 there were more men than women. In 2006 there are more women and men by about the same percentage.

Prof. Stanley—Yes. We have had these debates about fertility before, even before the 1900s. If you remember, there was this whole thing about, 'We're going to disappear,' and you are obviously right. But the downside of people opting to not have children is that they therefore do not look to the future; they are not going to have grandchildren to worry about, and they might not want their taxes to be used—'You've had the kids, you look after them,' kind of attitude.

CHAIR—There is a bit of that around.

Prof. Stanley—There is.

CHAIR—But in other evidence that we have received the critical point seems to be 1.5 births per female. If you go below that, then you really do have problems with reactions and to child attitudes.

Prof. Stanley—That is interesting.

CHAIR—But if you stay between the 1.5 and two per cent—we are at 1.8 now; we have come up a bit—that is okay. Below that 1.5 is the problem. So in Italy, Spain, Germany, Greece, all of those countries which are very paternalistic, the women see that if they marry and have children that is the end of them. There is no part-time work, and so they walk away.

Prof. Stanley—We need to bring in that mindset of saying, 'We want to bring legislation in that will acknowledge that you are very important people.' We made a bit of a joke in the book by saying that when people came back from the war we gave them lots of support to re-enter the workforce and to study and work et cetera. What about parents coming back into the workforce? 'You've had this baby and you've contributed to Australia's future. We're going to make you a champion.'

Mrs IRWIN—I thoroughly agree with you. My father learnt accounting at the repat hospital at Concord.

Prof. Stanley—It is a crucial issue for our future. Thank you very much.

CHAIR—Thank you very much for coming to give that evidence to us today. We will be particularly grateful to receive the AEDI. I now declare this meeting closed. Thank you for your attendance today.

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 12.55 pm