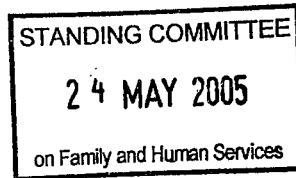




Tasmania

PREMIER



SUBMISSION NO. 129

AUTHORISED: 1-6-05

20 MAY 2005

The Hon B Bishop MP
Chair
House of Representatives Standing Committee on Family and Human Services
Parliament House
CANBERRA ACT 2600

Dear Ms Bishop

Thank you for the opportunity to contribute to the Inquiry into Balancing Work and Family. The attached submission provides the Tasmanian Government's comments on each of the Inquiry's Terms of Reference.

The Tasmanian Government through the Tasmania *Together* process seeks to address some of the issues raised by this Inquiry. Tasmania *Together* is the State's long-term social, economic and environmental vision that articulates where Tasmanians want to be in 2020. Tasmania *Together* includes a number of goals, indicators and benchmarks that seek to balance work and family. For example Tasmania *Together* seeks to increase the proportion of employees with flexible leave options, and to improve access to accredited (child and aged) care services for dependants.

In addition, the Tasmanian State Service has a workplace diversity policy in place, which is set out in the State Service Commissioner's Direction No. 3 (May 2002). The Commissioner's Direction specifically states that "a Head of Agency is encouraged to assist employees to balance their work, family and other caring responsibilities effectively by developing mutually beneficial practices through the provision of a fair, flexible, safe and rewarding workplace." This directive is complemented by the provision of various leave entitlements.

I hope that your Committee will find this submission of interest and assistance to your current Inquiry.

Yours sincerely

Paul Lennon
Premier



Tasmania

TASMANIAN GOVERNMENT

SUBMISSION TO

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

INQUIRY INTO BALANCING WORK AND FAMILY

May 2005

“You will forgive me for some skepticism and a sense of deja vue, for the work-family debate has been a recurring theme that has ebbed and waned over the 25 years of life of the Australia Institute of Family Studies (AIFS). It’s like being on a roundabout that never quite stops but is never quite fast enough for fun either”

(Don Edgar, Families Matter AIFS Conference, Melbourne, February 2005)

TERMS OF REFERENCE No. 1:

THE FINANCIAL, CAREER AND SOCIAL DISINCENTIVES TO STARTING FAMILIES

Research conducted by the Australian Institute of Family studies shows that most of the people surveyed (n=3021) wanted to have more children. Statistically however procreation rates have shown a slow steady decline below 2.016 in 1997 to 1.735 in 2003.¹ The essential task here is to delineate the key determinants of decision making in relation to procreation. It should be noted that in many ways these choices may be the unintended by-products of a wide range of Governments’ social and economic policies, as well as family instability brought about as a result of changes in the nature of human relations.

Before embarking on these questions it should be noted that one of Harvard University’s most noted demographers, Nicholas Eberstadt has said “If you can find the shared underlying determinants of fertility decline.... then your Nobel prize is in mail.”²

CHANGING NATURE OF WORK PATTERNS

Since the 1990s work has become far less predictable than earlier times when a person could be relatively assured of a position for life. Two people contemplating starting a family could be relatively assured of their future financial earnings and confident in the capacity of one partner (generally the male) to be able to support the family and pay the housing mortgage. The 1990s saw a redefining of working life patterns, such that it is now much more likely that careers for both men and women will be characterised by multiple jobs, with an array of different employers, rather than lengthy service within the one employing organisation.

This changing nature of work employment means that many families want to be more confident in their financial situation before embarking on having a family.

The other disincentive associated with these working patterns is that many tertiary graduates begin their working life with a Higher Education Contribution Scheme (HECS) debt that may take years to repay. Given that HECS has been in place for more than a decade and that Tasmanian average weekly earnings for the same period have been lower than the national average it is likely that HECS has played some part in the decision to start

a family. The financial impact of debt on careers and decisions to start a family needs further investigation.

Another disincentive associated with these working patterns is to do with the ever rising number of women and men in non-standard employment, that is, part-time, casual or fixed-term contract employment.

A recent study conducted by Amanda Hosking and A/Professor Mark Western (School of Social Science, University of Queensland) found that a strong association existed with non-standard forms of employment and a negative impact on work-family balance.³ It transpires that while part-time employment is associated with improved work-family balance for both women and men, casual employment (the majority of employees in this category are women) incurs the cost of poorer work-family balance. Research reveals that many Australian women with casual jobs are dissatisfied with the degree of flexibility available at their workplace and their employment conditions are placing increasing strain on work-family balance.

FAMILY-FRIENDLY POLICIES

There has been recent debate regarding the harmful affects of child care on young children (others point out that this is not the case – quite the opposite) and the correlating argument that women should stay home to look after young children. This argument to ‘keep women in the home’ may be having an impact on those deciding whether to have children as, for many families, the option of having one parent at home for many years, is not financially viable.

Another negative within the workplace is the growing backlash against family-friendly work policies and practices. As pointed out in Don Edgar’s keynote address to the Australian Institute of Family Studies Conference in February this year, balancing work and family is seen to be a ‘women’s issue’ – a personal issue that women need to deal with if they decide to want to work and have children. While the 1990’s brought with it family-friendly jargon and research which showed the cost benefits available to businesses that introduced family friendly practices, there was and still is generally wide resistance to family friendly practices from business. It is seen as one more costly burden for business. Although it has been shown that addressing family friendly issues within the workplace saves businesses financially in terms of retraining and re-employing.

CHILD CARE – AVAILABILITY AND AFFORDABILITY

The high cost of child care relative to income generated is also a barrier to employment as the costs of child-care are not deductible.

In May 2002, the Tasmanian Association of Children’s Services (now amalgamated with the Tasmanian Branch of the Early Childhood Association) through an external consultant researched the issue among the 84 affiliated child care service providers. The report identified that the unmet demand for care was extremely high with 30,000 hours of care requested per week remaining unmet. An update of the survey, conducted in March 2003, indicated a continuing need for places.

In 2003, the Tasmanian Women's Council submitted a report to the Hon Paula Wriedt MHA on the *Priorities for Increasing Child Care Places in Tasmania*. Representatives from Federal, State and Local Government along with the community were invited to a round table to discuss child care. It was found that service providers reported a lack of child care places and increasing demand for child care. In particular, there are extensive waiting lists for infants for child care places. The Council found that child care provision in Tasmania was in crisis.

Although there are currently no restrictions to the number of long day care places, there is no longer any Australian Government funding for building child care premises. The Australian Government has not established any new capital works programs since 1996. Therefore, nationally the level of supply is generally being filled by 'for profit' operators. Historically, 'for profit' operators have been in the minority in Tasmania with very few establishing new centres.

This, of course, is a major disincentive (Australia wide) to start a family as even families who are in a position to afford formal care cannot access it due to lack of places.

INSTABILITY OF INTIMATE RELATIONSHIPS

The increase in family breakdown and consequential loss of emotional and psychological support is also identified as a major disincentive to having more children. To understand why relationships break down and what Governments can do to promote committed, supportive and nurturing family environments is one of the most complex issues surrounding this inquiry.

During the late 1960s and 70s traditional patterns of courting and marriage began to change, leading to delays in commitment ready women being able to find suitable mating partners. There was a strong growth of individualism and an unwillingness by many to take on life-long commitments. For a woman, to raise the prospect of an ongoing relationship and marriage was seen by a sizeable proportion of young men as a kind of unwelcome "neediness".

The western world has also become more secular, and with that it might be argued there has been a loss of associated values. A number of writers have pointed out that there has been a decline of education about the human virtues - courage, fidelity, commitment, forgiveness etc (whatever might be the moral source of these values), and with that a fundamental change in human relations, away from respect and towards utility. The Australian philosopher Peter Singer has also noted the way economic individualism has fundamentally changed the nature of the gift relationship in our society. These changes are subtle, and euphemistically labeled the 'me generation' or the "X generation" as commentators try to define changing behaviors and expectations of new generations.⁴

We need to know more about what drives human behavior and the gaps between intention and reality as well as what factors influence decision making.

Certainly, it has been argued that creating a family-friendly culture within and without the workplace would help to ameliorate the problem of increasing relationship breakdown.

FRAGMENTATION OF FAMILY SERVICES

Some argue that the added stress of non-standard hours, increased hours for full-time workers along with little provision (financially or culturally) for balancing employment with family responsibilities is responsible for increasing family breakdown.

A range of factors give rise to concern that support networks for families are declining:

- Changes in family circumstances are placing an increasing number of children in vulnerable situations;
- Worsening outcomes for young people are evident in many aspects of health development; and
- Services are failing to meet the changing needs of families.

Concern around these matters has become a significant driver to start re-thinking the way in which services are delivered to both children and families.

In this way parents will be assisted in gaining the skills and confidence needed to become capable parents.

TERMS OF REFERENCE No. 2:

MAKING IT EASIER FOR PARENTS WHO SO WISH TO RETURN TO THE PAID WORKFORCE

TASMANIA TOGETHER

Tasmania *Together* is the State's long-term social, economic and environmental vision that articulates where Tasmanians want to be in 2020. Tasmania *Together* includes 24 goals and 212 benchmarks in key areas of community, culture, democracy, economy and environment. In particular there are community and economic goals that seek to balance work and family.

The Tasmanian Government has identified a number of priority benchmarks to guide government decision-making and resource allocation in 2003-05. There are three priority benchmarks that are relevant to the Inquiry into balancing work and family, they are:

- 1.4.1 Child care/Aged care cost and availability
- 16.1.1 Proportion of population in the workforce
- 16.1.3 Proportion of employees in secure employment

The Tasmania *Together* Government Activity Report in June 2004 showed that the State Government has:

- introduced new legislation in 2003 to ensure that a legal framework supports the child care sector and guarantees new standards for centre-based care (*Benchmark 1.4.1*);
- implemented more stringent checks to confirm that child care centre staff are 'fit and proper', and funding a program to formally recognise the skills of child care workers (*Benchmark 1.4.2*);
- provided capital to upgrade facilities in child care centres at Richmond and Triabunna, and an additional \$4 million to fund the development of centres in schools in areas of high demand, including Burnie, Miandetta, Norwood, Bowen Road and Waimea primary schools, which have all been approved for development, and a 50-place centre at Kingston Primary, which is already fully operational. (*Benchmark 1.4.1*); and that
- promoted the creation of more jobs and meaningful work opportunities, with the number of people employed in Tasmania at an all-time high. Estimates from the Australian Bureau of Statistics for March 2004 show that 211,800 Tasmanians were working, with the unemployment rate at 6.8% — the lowest it has been for more than 20 years and a significant improvement from 8.9% a year ago. (*Benchmarks 16.1.1, 16.1.2, 16.1.3*).

CHILD CARE

The availability *and* affordability of child care is a critical factor.

As discussed in Terms of Reference No. 1 the lack of child care places along with the sizeable financial burden placed on families is making it increasingly harder for those parents who wish to return to work after having children.

The Tasmanian Government responded to the situation in July 2003 with a Capital Program to develop child care infrastructure on school sites in areas where there is a high demand for child care. The Government's provision of child care infrastructure in school space was done principally to address the unmet need for child care services and to benefit children, families and communities through the co-location of child care and school services.

Affordable, accessible child care is crucial to this issue.

THE PREVALENCE OF FAMILY FRIENDLY WORKPLACES

In October 1999, 1,616 Tasmanians answered a series of questions about how they balanced paid work and caring responsibilities. The Australian Bureau of Statistics at the request of Women Tasmania and the Tasmanian Statistical Advisory Committee conducted this Survey. The key findings of the *Balancing Work and Caring Responsibilities 1999* survey have been published by the ABS (Cat No. 4903.6). Results showed that in the preceding twelve months 24% of women had needed to take time off work in order to meet

family responsibilities. Indeed, the Australian Institute of Family Studies found that 50 per cent of all absenteeism could be attributed to family-related causes.⁵

Balancing work and family needs is one of the most important policy issues facing working families today. The challenge is to provide a workplace and establish work practices that enable employees to balance their work and family commitments, and ensure that those with family responsibilities have equal opportunities for employment, rewards, advancement and development, while at the same time ensuring organisational productivity.

Over the last few decades the workplace has changed in many ways. Most notably, there has been the move away from the 'male breadwinner' model of work and the notable increase in the number of women entering the workforce. There is also an increase in the number of males becoming primary carers for children and they also need flexibility at work.

Other changes, such as an increase in the ageing population, mean employees are taking on more caring responsibilities for those in their life.

Family friendly policies and practices are vital for parents who wish to return to the paid workforce. Much research has shown the cost benefits to business if they take on such policies and practices. In addition dual career families form the majority of the population, Government policies need to recognise this. Scandinavian models show that even the most family-friendly workplace has little effect without appropriate infrastructure such as: adequate formal child care; parent support; flexible family tax concessions; and schools linked to family support agencies.

TASMANIAN GOVERNMENT INITIATIVES

The Tasmanian Government has a number of initiatives in place to assist parents' return to the paid workforce.

The Tasmanian Government has a workplace diversity policy in place, which is set out in the State Service Commissioner's Direction No. 3 (May 2002). The Commissioner's Direction specifically states that "a Head of Agency is encouraged to assist employees to balance their work, family and other caring responsibilities effectively by developing mutually beneficial practices through the provision of a fair, flexible, safe and rewarding workplace."

The Tasmanian Government has also put in place a number of leave entitlements that aim to enable employees to better balance work and family life. These include:

SSALS SCHEME

The SSALS is designed to enable State Service employees to apply to their Head of Agency for approval to participate in an arrangement where the employee agrees to

forgo an amount of salary for a specified period of time and in return receive, at the end of that time, a period of leave proportionate to the amount of salary forgone, e.g. be paid for 48 weeks over 52 weeks actual time worked and have access to period of 4 weeks leave at the end of the 52 week period. Salary received during the period of leave will be at the reduced rate of salary.

PAID MATERNITY LEAVE

Employees who become pregnant are entitled to a maximum of 52 unbroken weeks of maternity leave. Within the 52 weeks, they are eligible for 12 weeks' paid leave if: they have been working for the State Service for at least 12 continuous months; and they are eligible for paid sick leave.

PARENTING LEAVE

Parenting leave is unpaid. It allows employees to take up to 52 weeks of leave if they become the new child's primary carer. Any leave they take under parenting leave is reduced by the amount of maternity leave, adoption leave or parenting leave taken by their partner.

RETURN TO WORK ARRANGEMENTS

Employees are entitled to be given similar duties at the same classification as performed before their leave. If they were moved to safe duties or worked part time due to their pregnancy, they are entitled to return to the duties or arrangements immediately before the move or change in arrangements.

BREASTFEEDING AT WORK

Employees are entitled to lactation breaks and, wherever practicable, an area suitable for breastfeeding will be made available for them.

FLEXIBLE WORK ARRANGEMENTS

These arrangements are to assist employees to balance work and family commitments. They could include non-standard and variable starting and finishing times, part time work, job sharing, or any other arrangement negotiated by them and their supervisor. Each request is considered carefully and taken into account is the family commitments as well as the operational needs of the employer.

CARERS LEAVE

If employees are eligible for paid sick leave, the State Service provides for 5 days paid carer's leave per year. This is taken from sick leave entitlements.

PAID ADOPTION LEAVE

Employees are entitled to a minimum of 3 and a maximum of 52 unbroken weeks of adoption leave. Their period of leave has to include the actual day of adoption. Within the total 52 weeks, they are eligible for 12 weeks' paid adoption leave if: they have been working for the State Service for at least 12 continuous months; they are eligible for paid sick leave.

TASMANIAN WORK AND FAMILY AWARD

In 2004 Women Tasmania, for the first time, sponsored a new Award – The Tasmanian Work and Family Award. This Award was for the most outstanding State entry in the 2003/2004 ACCI/BCI National Work and Family Awards. This Award is aimed at Tasmanian organisations that understand the business benefits of a family-friendly work environment and take the initiative to provide this for their employees.

The Legal Aid Commission was awarded the inaugural Tasmanian Work and Family Award for 2003/2004. The two other Tasmanian finalists were the Working Women's Centre and Aurora Energy.

Regrettably in 2005 there will be no Tasmanian Award due to a decision by the steering committee for the National Work and Family Awards, that unless all states participated there would be no state award categories included in the National Awards. The matter is under consideration again for 2006. In the meantime, Tasmania is promoting the National Awards to all Tasmanian businesses.

TERMS OF REFERENCE No. 3:

THE IMPACT OF TAXATION AND OTHER MATTERS ON FAMILIES IN THE CHOICES THEY MAKE IN BALANCING WORK AND FAMILY LIFE

TAXATION

Although income splitting is not part of current Australian Government policy, it has been raised periodically in terms of family wage equity. The advantage and disadvantages of income splitting requires further investigation to determine the impact on single and double income families as they seek to balance work and family life. Income splitting tax incentives may be one means for supporting stay at home parents.

CONFLICTING POLICY OBJECTIVES

The Australian Institute of Family Studies has suggested that a number of Australian Government economic and social policies, taken as a whole have conflicting objectives. It is important therefore to examine relevant social and economic policies and in an integrated way, rather than as separate measures. This is an area that requires further investigation.

CAUSE AND EFFECT IN ASSESSMENT OF POLICIES

There have been a number of claims by the Australian Government about the success of the baby bonus in stimulating procreation. It should be noted that while there might be a positive correlation between the introduction of the baby bonus and the increased procreation rate, this is simply a measure of the linear relationship between two variables. Research is required on these matters to determine the nature of the causal connection between the procreation rate and the baby bonus, and whether the policy has been a driver of child-bearing decision making by men and women. However, there is no doubt many families have welcomed it.

Both Professor Graeme Hugo (Adelaide University) and KPMG population analysts have reported that the increased procreation rate is more likely to be the result of a demographic increase in the number of women in their early thirties who have deferred children, due to education, careers and delays in partnering. Hugo points out that the fertility rate that evens out these age related factors has shifted from 1.735 in 2003 to 1.773 in 2004.⁶

It should be noted that decreasing fertility is an issue not only in Australia, but also in many European countries

¹ Professor Graeme Hugo, 'Born Lucky' in *Weekend Australian*, 9 April 2005.

² Professor Graeme Hugo, 'Born Lucky'.

³ Amanda Hoskings and Mark Western, 'The effects of non-standard employment on work-family balance' *Families Matter*, Australian Institute of Families Studies Conference Melbourne, 9-11 February 2005.

⁴ Peter Singer, *How are we to live?: Ethics in an age of self interest*, Mandarin, Port Melbourne, 1995.

⁵ Don Edgar, 'Keynote Address - AIFS and the Work-Family Roundabout' *Families Matter*, Australian Institute of Families Studies Conference Melbourne, 9-11 February 2005.

⁶ Professor Graeme Hugo, 'Born Lucky'.