



**Australian Government**

# Work and Family

The importance of  
workplace flexibility  
in promoting balance between  
work and family

**Prepared by the  
Minister for Employment and Workplace Relations  
The Hon. Kevin Andrews MP**



## Note from the Minister

The Australian Government recognises that flexible, family friendly working arrangements are critical in assisting both men and women in finding an appropriate balance between their work and family responsibilities.

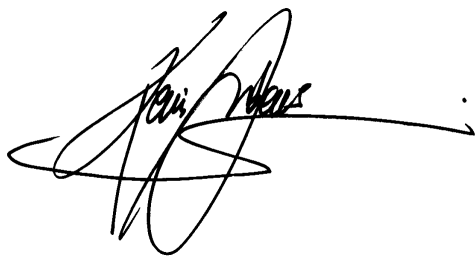
As more and more women are taking up both full, part-time and casual employment opportunities, the need to be able to balance work and family commitments is a major issue for them in determining their level of participation in the workforce.

The Government consistently supports and actively encourages employers to introduce and implement family friendly policies and practices to address the needs of employees in balancing their work and family responsibilities. Indeed, organisations with best practice work and family policies report a range of positive impacts, including higher retention rates, better morale, increased return rates from parental leave and higher productivity.

Many employees have access to family friendly working arrangements in excess of the safety net. These arrangements are contained in federal certified agreements and Australian Workplace Agreements (AWAs). Such agreements can include a range of practices that help employees balance their work and home lives which are not included in awards. Arrangements such as part-time work, hours flexibility and work from home can provide flexibility to employees with a wider range of family needs, including elder care responsibilities.

Around 93 per cent of men and 65 per cent of women with children under 15 years are in the labour force. The best way to ensure that they have access to flexible and family friendly working arrangements is through the promotion of agreement making at the individual workplace level. This provides for workplace agreements that are tailored to the specific needs of both employers and employees without the restrictions that a one size fits all approach can impose.

Under the Australian Government's workplace relations reforms, workers will be guaranteed a legislated minima in respect to minimum wages, parental leave, annual leave, personal/carer's leave and maximum ordinary hours of work. From this base, workers will be encouraged to bargain and negotiate with their employers to secure flexible and family friendly entitlements that are over and above these standards and best accommodate their particular circumstances.

A handwritten signature in black ink, appearing to read 'Kevin Andrews', with a long horizontal flourish extending to the right.

KEVIN ANDREWS MP



# Work and Family Issues Paper

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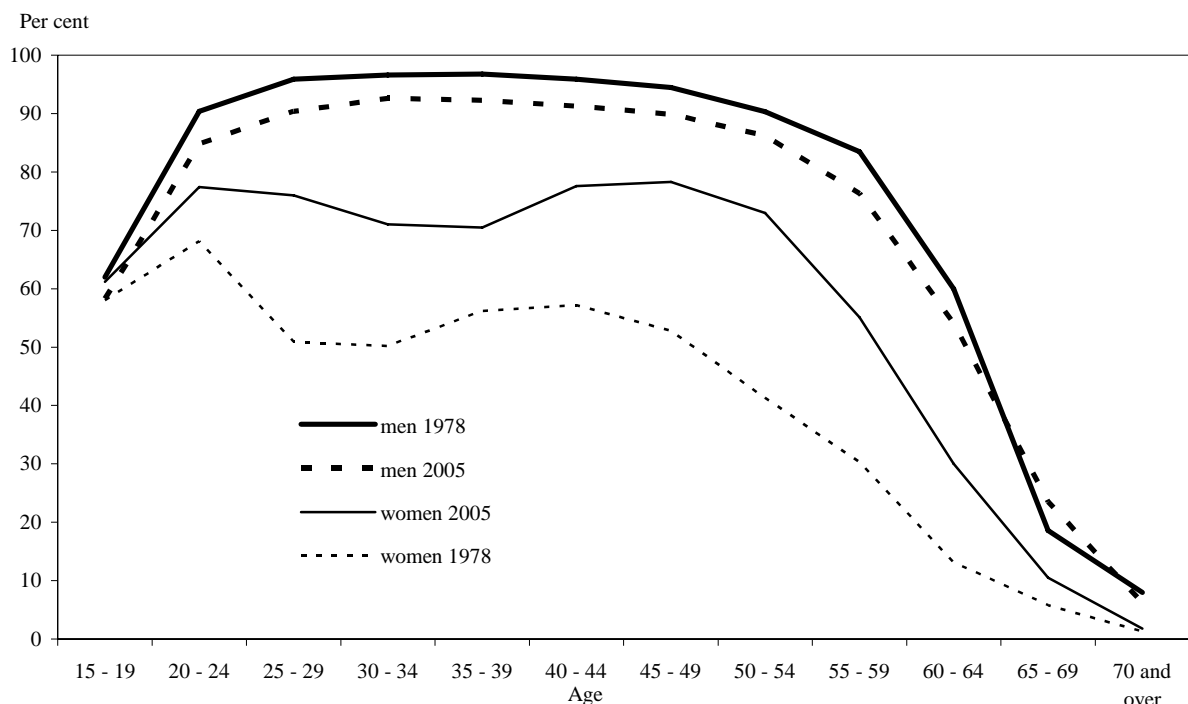
## Section One

### 1. Changes in workforce participation

The participation of women in the workforce has increased dramatically over the last few decades. The Australian Bureau of Statistics (ABS) *Labour Force* data show that:

- labour force participation among people of prime child rearing age has increased steadily since the late 1970's.
- from June 1978 to June 2005, the labour force participation rate of women rose from 44 per cent to 57 per cent;
- women of child bearing age (aged 25-44 years) generally have lower participation rates due to many women withdrawing from the workforce for a time to have children;
- the chart shows that this 'dip' in participation is not as pronounced as in 1978, with women's rate of participation in this prime age group increasing from 53 per cent in 1978 to 74 per cent over this time;

**Chart 1 - Labour force participation rates of male and female employed persons by age, June 1978 and June 2005**



Source: ABS, *Labour Force Survey*, detailed data release (Cat. No. 6291.0.55.001, datacube LM8)

- the rate of participation for women aged 55 to 64 years doubled over the period from 22 per cent to 44 per cent; and
- around 93 per cent of men and 65 per cent of women with children under 15 years are in the labour force. Men with children are more likely to participate in the labour force than men without children, while women are less likely to participate if they have children under 15 years.<sup>1</sup>

## 2. The importance of part-time and casual work

The Government supports workplace flexibility and the right of workers to choose the type of employment which best suits their needs, be it casual, part-time or full-time employment.

Importantly, the incidence and growth of part-time and casual employment over the last 20 years has primarily been brought about by the number of women entering and re-entering the workforce after having a young family. This has ensured that important workforce skills have been updated, and links to employment maintained, whilst also rearing a family.

Part-time and casual employment also contribute directly to the economic realities of family life. For example, many casual employees, such as working mothers, are contributing to reducing mortgages and household debt.

The 2003 Household Income Labour Dynamics Australia (HILDA) survey data show that women with children under 12 years working part-time overwhelmingly prefer part-time work to full-time work because of their commitment to caring for children.

A large proportion of casual employment is undertaken by full-time students and working mothers who are generally not looking for permanency of employment. According to the ABS these two groups combined account for over 40 per cent of all casual employees.<sup>2</sup>

Although most people who are responsible for caring for older people and people with disabilities are not in the workforce, many carers seek part-time and full-time employment. In 2003, most primary carers were not in the workforce (61 per cent), however 21 per cent worked part-time and 17 per cent worked on a full-time basis.<sup>3</sup>

## 3. Flexible Working Arrangements

Most workplaces have some form of family friendly or flexible working arrangements to assist employees balance their work and family responsibilities.

The ABS found in 2003 that employees with children aged under 12 had access to a range of flexible work arrangements such as flexible start and finish times (37 per cent),

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<sup>1</sup> ABS, *Labour Force Survey*, detailed data release, Cat. No. 6291.055.001, datacube FM2, September 2005.

<sup>2</sup> ABS, *Forms of Employment Survey*, November 2004 Cat. No. 6359.0.

<sup>3</sup> ABS, 'Carers', *Social Trends*, 2005, Cat. No. 4102.0, p40.

the ability to choose when holiday leave is taken (70 per cent) and the ability to work extra hours in order to take time off (44 per cent).<sup>4</sup>

Also, 56 per cent of families with at least one parent employed were able to use a range of work arrangements to care for their children in 2002.

These work arrangements included:

- flexible working hours (35 per cent);
- permanent part-time work (24 per cent); and
- work from home arrangements (16 per cent).<sup>5</sup>

Family friendly provisions (such as family/carer's leave, parental leave, part-time work, job sharing, home based work and child care) and flexible hours provisions (such as time-off-in-lieu, hours averaged over an extended period and flexible start/finish times) are readily available through agreement making.

As of 30 June 2005, **84 per cent** of federal certified agreements contained at least one family-friendly or flexible hours provision, with half containing at least two. These agreements covered 94 per cent of all employees under federal certified agreements.<sup>6</sup>

Agreement making under the *Workplace Relations Act (1996)* has led to an increase in the spread of family friendly working arrangements for those employees covered by federal certified agreements. Between March 1997 and June 2005, employee coverage increased for:

- part-time employment provisions in certified agreements from 27 per cent of employees to 77 per cent;
- paid family/carer's leave from 8 per cent to 25 per cent;
- paid maternity or primary carer's leave from 5 per cent to 41 per cent;
- paid paternity or secondary carer's leave from 4 per cent to 25 per cent;
- home-based work provisions from 3 per cent to 13 per cent;
- job sharing provisions from 3 per cent to 17 per cent;
- access to single days of annual leave from 6 per cent to 21 per cent;
- access to other leave for family or caring purposes from 0.1 per cent to 43 per cent; and
- purchased leave schemes from 5 per cent to 26 per cent.<sup>7</sup>

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<sup>4</sup> ABS, *Working Arrangements Survey*, November 2003, Cat. No. 6342.0.

<sup>5</sup> ABS, *Child Care Survey*, 2002, Cat. No. 4402.0.

<sup>6</sup> Department of Employment and Workplace Relations, *Workplace Agreements Database*.

<sup>7</sup> Department of Employment and Workplace Relations, *Workplace Agreements Database*, unpublished data for agreements current as at 31 March 1997 and 30 June 2005.



#### 4. Maternity Payment

The Government has a strong record of support for Australian families delivered through well targeted welfare and taxation policies.

Family assistance measures include Family Tax Benefit Parts A and B, a universal Maternity Payment, Child Care Benefit and Child Care Tax Benefit, and funding for a range of child care initiatives.

All mothers of newborns are entitled to a non-means tested Maternity Payment, currently worth \$3,119, to assist them meet their parenting needs. This payment will increase to \$4,000 in July 2006 and \$5,000 in July 2008. It is estimated that around 250,00 families will benefit from the maternity payment each year. As of 17 June 2005, 225,860 families have benefited from the payment.

#### 5. Government Policies Assisting Australian Families

The 2005-06 federal Budget included the following assistance for families:

- \$1.1 billion over four years to increase the Family Tax Benefit Part A lower income threshold;
- around \$1 billion over four years to introduce the 30 per cent Child Care Tax Rebate;
- \$21.7 billion over four years for tax cuts to increase incentives to participate in the workforce;
- \$6.6 million over five years (including \$0.5 million in 2004-05) to extend the Maternity Payment to parents of adopted children under two years of age; and
- \$316.9 million over two years to provide a one-off lump sum payment to eligible carers.

The Government will also boost child care assistance through a \$266 million package to assist parents make the transition from welfare to employment, education or training. The package includes:

- 84,300 extra Outside School Hours Care places;
- 2,500 extra Family Day Care places;
- 1,000 extra In-Home Care Places; and
- Help for 52,000 families through Jobs, Education and Training Child Care fee assistance.

## Section Two

### 1. Workplace Relations reforms

The Australian Government's workplace relations reforms build on and enhance the protections and flexibilities already provided to Australian workers with family responsibilities by:

- reducing barriers to unemployment thereby reducing the adverse impact of unemployment on families;
- maintaining protection against unlawful termination on grounds including family responsibilities, pregnancy and absence from work during parental leave;
- setting family friendly leave entitlements, including parental leave and personal/carer's leave, in legislation as part of the Australian Fair Pay and Conditions Standard;
- preserving family friendly award entitlements, such as paid maternity leave, that are more generous than the Fair Pay and Conditions Standard for new and existing award-reliant employees;
- making it easier for employees and employers to negotiate workplace agreements incorporating family friendly working arrangements with a new, streamlined agreement making process;
- encouraging the spread of part-time employment by requiring all awards to include provisions for regular part-time employment and removing award restrictions on part-time and casual employment; and
- improving protections for workers by extending the compliance regime undertaken by the Office of Workplace Services.

### 2. Protection against discrimination and unlawful termination

The federal *Sex Discrimination Act 1984* makes it unlawful to discriminate against an employee because of their sex or marital status. These grounds may apply to either men or women, depending on the circumstances.

The Sex Discrimination Act prohibits discrimination against an employee because an employer thinks the employee is pregnant, may become pregnant in the future, or is breastfeeding, grounds which apply exclusively to women.

It is unlawful for an employee to be dismissed from employment because of family responsibilities.

It is also provided that:

- it is unlawful for employers or potential employers to question employees about current or future pregnancies; and

- medical information collected from pregnant women can only be used for appropriate processes and purposes, such as OH&S reasons.

Employees can make complaints about workplace discrimination to the Human Rights and Equal Opportunity Commission (HREOC). Discrimination on the basis of sex, race, disability, pregnancy and age, among other grounds, is unlawful.

Under WorkChoices, it will remain unlawful for employees to have their employment terminated on discriminatory grounds, including sex, pregnancy, family responsibilities, or because they are absent from work on parental leave.

The Government is committed to ensuring that women and men receive equal pay for work of equal value. Under WorkChoices, the Australian Fair Pay Commission will consider equal remuneration in the setting of wages. The Australian Industrial Relations Commission will continue to be able to make orders and deal with complaints in relation to equal remuneration. HREOC will also retain its current responsibilities in relation to equal remuneration including discrimination and harassment.

### 3. Minimum entitlement to parental leave

Entitlement to unpaid parental leave (including maternity leave) will be set in legislation as part of the Australian Fair Pay and Conditions Standard.

Under WorkChoices, full-time, part-time and eligible casual employees with at least 12 months continuous service with their current employer will be entitled to up to 52 weeks of job-protected unpaid leave at the time of the birth of a child or the placement of an adopted child under the age of 5 years. Employees will also be entitled to take special maternity leave of an amount as recommended by a registered medical practitioner if a pregnancy ends other than by the birth of a living child or in the event of pregnancy-related illness.

The entitlement to parental leave will apply to all employees, not just those employed by employers that are constitutional corporations.

### 4. Paid maternity/parental leave

Paid parental leave is also available at workplaces which have negotiated it through agreement making. Currently, 45 per cent of women covered by federal certified agreements have an entitlement (subject to eligibility requirements) to paid maternity leave which is funded directly by employers (as at 30 June 2005).<sup>8</sup>

The latest ABS data also indicate that 45 per cent of all female employees are entitled to paid maternity leave and 36 per cent of male employees are entitled to paid paternity leave.<sup>9</sup>

Men generally take short amounts of paid leave at the time of the birth, while most women take longer periods of leave and use a combination of paid and unpaid leave.

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<sup>8</sup> Department of Employment and Workplace Relations, Workplace Agreements Database.

<sup>9</sup> ABS, *Forms of Employment Survey*, November 2004, Cat. No. 6359.0

## 5. Personal/carer's leave

WorkChoices will protect personal/carer's leave in legislation for the first time as part of the Australian Fair Pay and Conditions Standard. The legislated standard for personal/carer's leave will consist of:

- ten days of paid personal leave per annum for full-time employees, of which ten days can be used as carer's leave;
- pro-rata entitlement to paid personal/carer's leave for part-time employees;
- two days of unpaid carer's leave per occasion for employees who have exhausted their paid personal/carer's leave or who are casual; and
- two days of compassionate leave per occasion to visit a sick or dying member of the employee's immediate family or household or to attend a funeral.

Personal/carer's leave can be of significant assistance to employees to meet short-term caring needs or family commitments.

Furthermore, the two days of unpaid carer's leave for casual employees will allow employees greater flexibility to meet their work and family needs without placing undue strain on businesses.

## 6. Australian Workplace Agreements

Australian workplace agreements (AWAs) are now a significant part of the workplace relations system, and make it possible for the direct negotiation of terms and conditions of employment between employers and employees. Importantly, AWAs offer choice and flexibility to both employers and employees and allow them to individually arrange workplace terms and conditions which best suit their needs.

Through AWAs, employers and employees have gained mutual benefits from including family friendly clauses in their individual agreements.

Research has found that employees on AWAs report a higher level of satisfaction with their work hours and control over their hours. They also earn more on average than employees covered by certified agreements.

The types of clauses approved in AWAs that have helped to make the workplace family friendly include:

**Flexible Hours of Work:** Agreement on start and finish times, consultation on rosters and flexible daily hours such as the use of make-up time.

**Job Share:** Sharing a full-time job between two employees.

**Working from Home:** Allowed in certain circumstances and at certain times to assist balancing work and family responsibilities.

**Use of Facilities:** Use of work phones to contact immediate family members, reimbursement of expenses for additional child or other family care arrangements because of special work commitments, access to a family room facility at the organisation.

**Career Breaks Scheme:** Enabling employees to take approved extended leave to pursue personal development or to meet family commitments.

**Parental Leave:** Approved parental leave (paid or unpaid) and provision of part-time work during pregnancy and after return to work.

The Office of the Employment Advocate (OEA) provides advice and assistance to employers and employees about AWAs, including how to make agreements more flexible and family friendly. The OEA also has AWA Ambassadors to demonstrate how AWAs have been successfully used. AWA Ambassadors are either employers who have implemented AWAs or employees who have been employed under AWAs who describe the benefits of AWAs. Further information about the OEA, AWA Ambassadors or family friendly AWAs can be found at the OEA website - <http://www.oea.gov.au>.

## 7. OEA Better Work-Life Balance Project

The OEA's Better Work-Life Balance project was established in 2003 to assist small and medium sized businesses to increase both their productivity and employee satisfaction through building an effective business culture and reducing absenteeism and staff turnover. As part of the project, the OEA offered small and medium sized enterprises in South Australia a work and family consultancy. The service included conducting a work and family balance needs assessment, providing recommendations for workplace change, assisting in implementing and evaluating initiatives and promoting best practice outcomes.

Four organisations took part in the project, covering a range of different industries - food processing, health and community services, retail and mining. One of the organisations involved in the project was La Casa Del Formaggio, a small family owned and operated business manufacturing a range of hand made Italian style cheeses using traditional techniques.

The data collected from the surveys provided an excellent starting point for La Casa to draft their first AWA. The opportunity was taken by management to formalise many of the ad-hoc arrangements that were already in place and introduce some additional work/life balance benefits. The staff at La Casa are mostly of either Italian or Arabic speaking backgrounds. To allow employees to fully understand the changes being proposed, the AWA was translated into Arabic. An Arabic interpreter attended the employee briefing to ensure all employees shared the same common understanding of the AWA and had equal opportunity to ask questions in their first language.

The key work-life balance provisions introduced into the La Casa AWA as a result of the project are:

- staggered working hours provisions – enabling flexibility in working hours for both staff and the business;

- flexible working arrangements (including compressed hours);
- access to a telephone for emergencies (including family emergencies);
- discretionary leave arrangements;
- workplace literacy programme; and
- staff consultation processes.

Although La Casa found there was apprehension at first, there has been a very high acceptance of the AWAs by staff.

## 8. The Equal Opportunity for Women in the Workplace Agency

The Equal Opportunity for Women in the Workplace Agency (EOWA) works with over 3000 businesses to create flexible work conditions that encourage women to reach their full potential in the workplace – whether they are apprentices straight from school, career women, Indigenous women, migrant women, women starting a family, women managing both work and a family, mature women returning to the workforce and those women not quite ready for retirement.

With 41% of organisations reporting to EOWA providing their staff with paid maternity leave, an increase from 23% in 2001, businesses are recognising equal opportunity as a strategic business opportunity, if done well; retains a skilled workforce, improves decision making, enhances reputation, improves working relationships and increases profits. Those getting it right are seeing policies including paid maternity leave, flexible workplace practices, merit based promotion, succession planning and job pathways, turning into higher retention rates of women.

EOWA not only gives each of the 3000 businesses tailored advice and assistance on their EO policies and programs each year, but also provides the business community with valuable research and resources. These include a new series of Industry Vertical publications to allow industry sectors to benchmark their EO programs and policies against their competitors; the EOWA Australian Census of Women in Leadership; a comprehensive website and a series of workshops and consultancy services. For further information visit the EOWA website at <http://www.eowa.gov.au>.

## 9. Workplace Flexibility – Industry Projects

The Employer Demand element of the Welfare to Work reforms is aimed at supporting workforce participation for targeted groups in key industry sectors. This will be achieved through a range of measures including improving employer awareness and take-up of flexible working arrangements. As part of the Employer Demand strategies, the Department is developing a number of industry projects, including two industry projects to promote greater workplace flexibility in 2005-2006 and 2006-2007. The industry projects in 2005-2006 are focused on the Restaurant and Catering industry and the Retail industry.

The Restaurant and Catering industry project will identify best practice examples of flexible working arrangements in the industry and evaluate the business case for their implementation. The project will result in a publication which will be used to promote the benefits of flexible working arrangements to employers in the industry.

The Retail industry project will involve the development of practical guidelines and tools to assist employers adopt flexible working arrangements in their own businesses. This will be in the form of an interactive website which users will be able to access through the Department's workplace portal.

## 10. National Work and Family Awards

The ACCI/BCA National Work and Family Awards are an Australian Government and business partnership promoting best practice for family friendly workplaces. The Awards are a key element in an overall strategy to increase the flexibility of organisations and make Australian workplaces more family friendly.

The Awards recognise organisations with practical and innovative workplace policies that promote greater balance between work and family and showcase organisations with outstanding flexible working arrangements that meet the needs of a diverse workforce.

The finalists for the 2005 ACCI/BCA National Work and Family Awards have shown exemplary examples of how best practice family friendly arrangements can be facilitated in the workplace. More information on the Awards is available at <http://www.workplace.gov.au/WorkFamily>

Some of the case studies of workplace arrangements that are tailored by employees and employers for work and family best practice are listed below.

## 11. 2005 Work and Family Awards case studies

### **Case Study One**

#### **Austral Tree and Stump Services**

Flexible working arrangements are a key component of Austral's family friendly AWAs. The following provisions are either in AWAs, or are provided as above-AWA conditions:

- employees determine their starting and finishing times where practicable;
- employees determine which days they are able to work;
- staff are regularly granted time off in lieu for any overtime work (and overtime is not encouraged);
- staff are allowed to use single days of annual leave;
- paid time off (ie time off without using annual leave etc) during school holidays has been awarded to employees with children to allow them to spend time together as a family during school holidays; and
- priority is given to applications for annual leave by staff wanting time off during school holidays.

## **Case Study Two**

### **ANZ Banking Group**

The ANZ currently operates under an extant certified agreement. As a result of the implementation of work and family initiatives, there has been increased employee engagement, a high parental leave return rate and decrease in voluntary turnover rates.

Key workplace family friendly initiatives include:

- Partnership to develop and operate child care centres at convenient sites
- 12 weeks paid parental leave and simultaneous parental leave
- Co-parent paid leave
- Flexible working hours and work weeks
- Job share
- Lifestyle leave
- Nursing mother rooms and policy
- Flexible workspaces

## **Case Study Three**

### **Greenslopes Private Hospital**

Greenslopes operates under a Certified Agreement. Key workplace family friendly initiatives include:

- On-site child care
- Job share
- Working from home
- Regular part-time work
- Paid and unpaid carer's leave
- Lactation breaks and support and breastfeeding rooms



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Note: This paper uses confidentialised unit record file from the Household, Income and Labour Dynamics in Australia (HILDA) survey. The HILDA Project was initiated and is funded by the Commonwealth Department of Family and Community Services (FaCS) and is managed by the Melbourne Institute of Applied Economic and Social Research (MIAESR). The findings and views reported in this paper, however, are those of the author and should not be attributed to either FaCS or the MIAESR.