



**Australian Government**

**Department of Employment and  
Workplace Relations**

**Striking the Balance:  
Women, men, work and family  
Discussion Paper 2005**

**Submission by the Department of Employment and  
Workplace Relations**

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## Overview

The Australian Government (the Government), through the Department of Employment and Workplace Relations (the Department), aims to maximise the ability of all Australians of working age to participate in paid work; and to improve the productive performance of enterprises in Australia.

The Department provides the Government with high quality advice and services to achieve three outcomes:

- efficient and effective labour market assistance;
- higher productivity, higher pay workplaces; and
- increased workforce participation.

The Department develops and implements Government policies and programmes to achieve these outcomes. In order to achieve:

- efficient and effective labour market assistance, the Department manages working age income support. It also manages and delivers labour market programmes;
- higher productivity and higher paying workplaces, the Department provides policy advice and legislation development services to the Government. It also supports employers and employees in adopting fair and flexible workplace relations practices; and
- increased workforce participation, the Department undertakes labour market research and analysis. It advises and formulates policy and strategies on workforce participation issues. Lastly, the Department manages the implementation of new policy initiatives to increase workforce participation.

This submission responds to the Human Rights and Equal Opportunity Commission's (HREOC) *Striking the Balance* discussion paper. In accordance with the Department's portfolio responsibilities, it focuses on the policies and initiatives of the Government which are implemented through the Department.

The submission comprises four sections. The overall work and family context and the Government's agenda for improved economic growth are presented in Part A. In Part B, the Government's approach to support flexible and family friendly workplaces via the workplace relations system is outlined. It shows that agreement making has enabled significant flexibility already within many Australian workplaces. Part C outlines Government support for families and increased workforce participation. Lastly, Part D responds to the goals and options for change presented by HREOC in the last chapter of its discussion paper.

## **Part A: Work and Family Context**

The Australian Government recognises that flexible, family friendly working arrangements are critical in assisting both female and male workers 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.

Australia also faces the challenge of an ageing population. The Government aims to meet the challenges posed by the ageing of the population through stimulating economic growth and encouraging labour force participation, which will lead to further productivity growth.<sup>1</sup> One way to encourage greater labour force participation is through flexible workplaces which allow employees and employers to reach mutually advantageous working arrangements.

This section highlights the main factors – population ageing, changing labour force composition and encouraging the participation of all working age Australians – driving the need for flexible workplaces to maximise the ability of people to participate in work and the ability of employers to achieve gains in productivity.

### ***Labour Force Dynamics***

Workforce participation in Australia has been gradually increasing over the last 30 years. Since 1978, the labour force participation rate has grown from 61 per cent to 65 per cent in July 2005 (in trend terms).<sup>2</sup> Women's rate of participation in the workforce climbed from 44 per cent in February 1978 to 57 per cent in July 2005, while men's participation fell from 79 per cent to 72 per cent over the same period.<sup>3</sup>

Women's and men's labour force participation by age is showing some signs of convergence (see chart below). In 1978, women's participation by age had an 'M'-shaped curve, with a prominent dip in participation for those aged 25-34 years (at 51 per cent) and a peak for those aged 20-24 years (at 69 per cent), indicating a strong trend for women to leave the labour force once they had children.

In 2005, female labour force participation is not as strongly affected by the birth of children, with participation for 25-34 year olds increasing to 73 per cent. There have also been significant increases in participation of older women in the 45-54 year and 55-59 year age groups. In comparison, men's participation rates were highest among 25-34 year olds and 35-44 year olds at 96 per cent in 1978, but have fallen to 91 per

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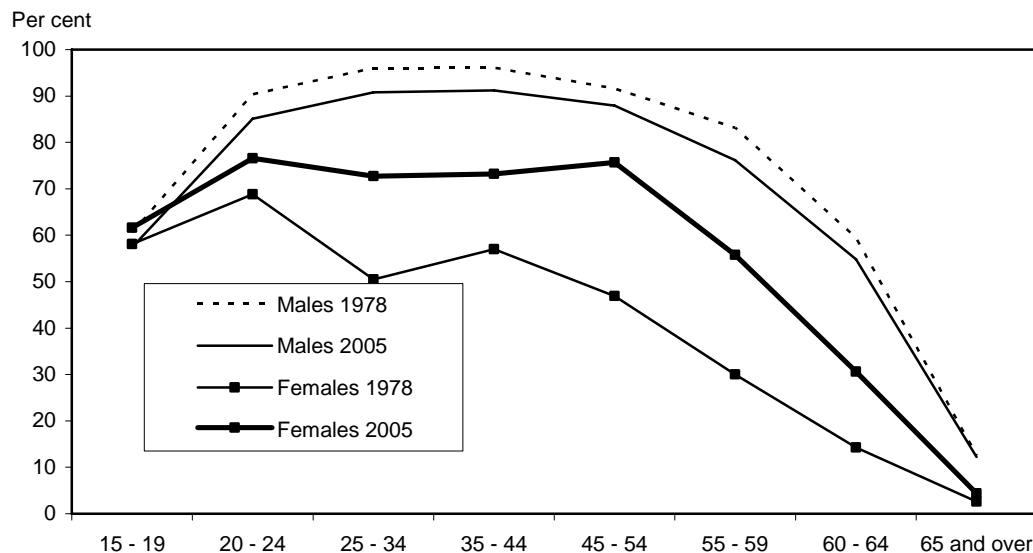
<sup>1</sup> Australian Government, *Australia's Demographic Challenges*, 2004, page 1

<sup>2</sup> ABS, *Labour Force*, Cat. No. 6202.0.55.001

<sup>3</sup> ABS, *Labour Force*, Cat. No. 6202.0.55.001

cent for the same age groups in 2005.<sup>4</sup> The decline in men's participation rates is due to a number of factors including increased time spent in study and training, and time out of the workforce due to voluntary and non-voluntary considerations. A small percentage of men are out of the workforce as primary carers of their children.

**Chart 1: Labour force participation rates of employed men and women by age group, July 1978 to July 2005 (original data)**



Source: ABS, detailed data release (Cat. No. 6291.0.55.001 datacube LM8)

The increase in women's participation in the workforce has coincided with an increase in women's part-time employment. As of July 2005, of 4.5 million women employed in total, over 2 million worked part-time (seasonally adjusted). Whereas in February 1978 only 14 per cent of the female population (aged 15 and over) worked part-time, this proportion has now risen to 25 per cent. As a proportion of all employed women, 46 per cent currently work part-time compared with a third of all employed women in February 1978.<sup>5</sup>

The workplace relations system allows good access to flexible working arrangements including part-time work. The Government's *Workplace Relations Act 1996* (WR Act) removed limitations on part-time work contained in some awards and encouraged regular part-time work. Greater flexibility in the labour market has accommodated the growth of women's participation in part-time work.

The increasing diversity of family arrangements in Australia has been accompanied by increasing diversity of employment arrangements within families and households. The proportion of all couple families with both partners employed has risen from 40 per cent in June 1980 to 54 per cent in June 2005. As of June 2005, there were around 1.75 million couple families with dependent children (aged 0 to 14 years). Of

<sup>4</sup> ABS, *Labour Force*, 2004, detailed data release (Cat. No. 6291.0.55.001 datacube LM8).

<sup>5</sup> ABS, *Labour Force*, Cat. No. 6202.0.55.001

these, 60 per cent had both parents employed, 34 per cent had one parent employed and the remaining families had neither parent employed.<sup>6</sup>

### ***Ageing of the population***

Similar to most other developed countries, Australia's population is ageing and the rate of population growth is slowing. Based on projections in the Australian Government's *Intergenerational Report*, over the next 40 years the proportion of the population aged over 65 years will almost double to around 25 percent. At the same time, the traditional working age population – aged 15 to 64 – is expected to reach almost zero growth.<sup>7</sup> Therefore, the overall proportion of the population to be supported by the working-aged population is expected to increase. The ageing of the population will result in a greater demand for age pensions and health and aged care spending. Based on the projections in the *Intergenerational Report*, spending by the Government on health, aged care, pensions and education will exceed the amount it raises in taxes by around 5 per cent of GDP by 2041-42.<sup>8</sup>

The large 'baby boomer' generation is now reaching retirement age. If a large proportion of baby boomers retire, it is likely to leave a major shortfall in both workforce numbers and workplace skills. Employers will need to become more creative to find ways to encourage the baby boomers to remain in the workforce. Mature age workers may consider the availability of flexible, family friendly working arrangements in their decision to remain in the workforce. They are likely to prefer arrangements which allow them a greater choice of hours and location. Continuing labour market reform will greatly assist employers to offer the arrangements which address the needs of mature age workers.

The Government has been very active in promoting the issue of the ageing workforce and the need to increase mature age participation rates for some time now. This needs to be approached from multiple directions – changing the community's mindset away from early retirement, ensuring older job seekers are equipped with the training and flexible approach needed for today's workforce and ensuring employers, large and small and across industries, are aware of and are acting on this issue.

### ***Improving participation rates***

Increasing participation is one of the key fourth term objectives of the Government. The Australian Government's Welfare to Work reforms will provide clear incentives for people to move into work, including new and expanded services to help people into employment.

For instance, historically, lone parents have lower rates of workforce participation than parents in couples, given their sole caring role. This plays a large part in the number of sole parent families living on low incomes. The low participation rates of lone parent families is significant given the increase in the number of such families

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<sup>6</sup> ABS, *Labour Force*, 2005, detailed data release (Cat. No. 6291.0.55.001 datacube FA2).

<sup>7</sup> Australian Government, *Australia's Demographic Challenges*, 2004, page 1.

<sup>8</sup> Australian Government, *Australia's Demographic Challenges*, 2004, page 1.

over time. In June 1995, there were 390 000 lone parent families with dependent children (aged 0 to 14 years), rising to 480 000 in June 2005. Since 1995, there has also been an increase in the proportion of lone parent families with the parent employed – rising from 43 per cent to 49 per cent in 2005.<sup>9</sup>

The Welfare to Work reforms will provide support to sole parents to further assist and encourage their workforce participation when their youngest child reaches school age. The Government recognises that sole parents face particular difficulties participating in the workforce while caring for dependents. Having flexible workplaces to accommodate the needs of sole parents, will greatly improve their ability to balance their work and caring roles.

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<sup>9</sup> ABS, *Labour Force*, 2005, detailed data release (Cat. No. 6291.0.55.001 FA2).



## **Part B: Workplace Flexibility**

The objective of a modern workplace relations system should be that wages and conditions, as far as possible, are determined at the workplace level with awards providing a genuine and guaranteed safety net.

The workplace relations reforms of the last eight and a half years have achieved this by removing the shackles from business and workers of a centralized and adversarial system which had little regard for the freedom and rights of the individual.

The central hallmarks of this reform have been the simplification of Awards to act as a genuine safety net; the introduction of Australian Workplace Agreements (AWAs) and greater capacity for employees and employers to enter into agreements at the individual workplace level without the presence of unwanted third parties.

Workers and businesses now have the freedom to choose the working arrangements and conditions which best suit their individual needs. This has allowed them tremendous flexibility, while at the same time leading to a significant increase in productivity and jobs growth.

The Government believes supporting choice is the best way to assist Australian families in determining working arrangements to suit their individual circumstances. The needs of families differ and change over the life cycle – couple families with young children have different needs to couples with older children, and single parent households and mature age couples will have different requirements to group households or single person households. Within some families there is an added complexity due to the caring needs of a member with a disability, severe medical condition, or who is frail aged.

The Government recognises that there is no single solution to manage the diverse demands of paid work and family responsibilities. In this respect, a ‘one size fits all’ approach to work and family arrangements is not appropriate.

The Government 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. Many Australian workplaces have responded to the changing requirements of employees and are producing family friendly working arrangements that provide considerable flexibility.

The workplace relations system maximises flexibility through the range of options available for agreement making at the workplace level, including certified agreements and AWAs. Agreement making at the workplace level allows flexibility in determining working arrangements, which can be tailored to the needs of employees with caring responsibilities. This flexibility is in stark contrast to the award system, which fails to provide for the unique preferences and needs of individual workplaces.

## ***Workplace Relations***

Since its introduction in 1996, the WR Act has provided a flexible framework for the negotiation and agreement of individual working arrangements that can help working parents to balance their work and family responsibilities.

The principal objective of the federal WR Act is to provide a framework for cooperative workplace relations that promotes the economic prosperity and welfare of the people of Australia, by (in part):

- assisting employees to balance their work and family responsibilities effectively through the development of mutually beneficial work practices with employers (s.3(i));
- respecting and valuing the diversity of the workforce by helping to prevent and eliminate discrimination on a number of grounds including sex, family responsibilities, pregnancy and marital status (s.3(j)); and
- assisting in giving effect to Australia's international obligations in relation to labour standards (for example, the Family Responsibilities Convention) (s.3(k)).

## **Workplace agreement making**

The WR Act places primacy on bargaining at the workplace or enterprise level to ensure wages and conditions are tailored to the needs of employers and employees. A further part of the principal objective of the WR Act is:

- ensuring that the prime responsibility for determining matters affecting the relationship between employers and employees rests with the employer and employees at the workplace or enterprise level (s.3(b)); and
- providing the means for wages and conditions of employment to be determined as far as possible by the agreement of employers and employees at the workplace or enterprise level, upon a foundation of minimum standards (s.3(d)(1)).

The most effective mechanism to assist employees balance their work and family responsibilities is by maintaining fair minimum standards and maximising flexibility through the range of options available for agreement making at the workplace level.

Many employees have access to family friendly working arrangements through workplace agreements. Agreements can include a range of practices that help employees balance their work and home lives which are not included in awards. Increasing numbers of organisations have found that agreement making provides a wide variety of options for new and innovative initiatives that benefit both employees and the business.

The Department's Workplace Agreements Database shows that 90 per cent of employees covered by a current federal certified agreement are covered by an agreement with at least one family friendly provision, and 70 per cent are covered by an agreement with at least three such provisions. Around 94 per cent of employees

covered by a certified agreement are covered by an agreement with at least one family friendly or flexible hours provision.<sup>10</sup>

Workplace bargaining has delivered employment arrangements and conditions that support the participation of women with caring responsibilities. The latest report on *Agreement Making in Australia under the Workplace Relations Act 2002-2003* (covering the period 1 January 2002 to 31 December 2003) shows that the proportions of women covered by a certified agreement with access to flexible hours of work and family friendly provisions was generally higher than in the previous reporting period of 2001-2001. In 2002-2003, the proportion of women with access to:

- paid maternity/primary leave was 41 per cent - up from 39 per cent in 2001-2002;
- time off in lieu was 32 per cent - up from 27 per cent in 2001-2002;
- make up time was 29 per cent - up from 21 per cent in 2001-2002;
- flexible start and finish times was 14 per cent - up from 10 per cent in 2001-2002;
- paid family/carer's leave was 28 per cent - up from 22 per cent in 2001-2002 and 28 per cent had access to unpaid family/carer's leave up from 25 per cent;
- paid maternity/primary leave was 41 per cent - up from 39 per cent in 2001-2002;
- certified agreements which specified regular part time work was 53 per cent - up from 34 per cent in 2001-2002; and
- home based work provisions was 24 per cent - up from 14 per cent in 2001-2002.<sup>11</sup>

Employed fathers are also negotiating flexible work practices to care for their children. There is increasing recognition for men's desire to share more of caring and household responsibilities. For example the incidence and coverage of paid paternity leave clauses in federal certified agreements has grown from 2.8 per cent in June 2000 (covering 4.8 per cent of employees) to 8.6 per cent in June 2005 (covering 25.1 per cent of employees).<sup>12</sup>

The Office of the Employment Advocate (OEA) supplied the Australian Centre for Industrial Relations Research and Training (ACIRRT) with 500 randomly selected Australian Workplace Agreements (AWAs) approved during the 2002 and 2003 calendar years to code contents/clauses.<sup>13</sup> The selected sample roughly matched the industry distribution of AWAs.

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<sup>10</sup> Department of Employment and Workplace Relations, Workplace Agreements Database, agreements current as at 30 June 2005.

<sup>11</sup> DEWR, *Agreement making in Australia under the Workplace Relations Act, 2002 and 2003*, pages 70 and 72; DEWR, *Agreement making in Australia under the Workplace Relations Act, 2000 and 2001*, pages 136 and 140.

<sup>12</sup> Department of Employment and Workplace Relations, Workplace Agreements Database, agreements current as at 30 June 2005.

<sup>13</sup> *Agreement making in Australia under the Workplace Relations Act 2002-2003*.

The results of this study disclosed the following:

- Over 70 per cent of AWAs approved in 2002-2003 contained at least one provision relating to either family friendly leave or family friendly flexible work arrangements. Of these, more than half had three or more such provisions;
- 34 per cent of AWAs provided at least one provision promoting '*family-friendly flexible work arrangements*', with 10 per cent providing two or more such provisions; and
- 59 per cent of all AWAs contained at least one *family friendly leave* provision, with 56 per cent containing two or more such provisions.

In addition, the OEA's Employee Attitude Survey (2001) of 2000 employees, comparing 1000 AWA employees to 1000 combined collective, award and unregistered agreement employees (proxy collective employees) show that;

- AWA employees reported higher levels of satisfaction with their hours than 'proxy collective' employees and were more satisfied with their level of control over their hours;
- AWA employees were more likely than 'proxy collective' employees to report having some or significant influence over the type of work they do, how they do their work and over decisions affecting them at the workplace. AWA employees were also more likely to report that their level of influence in these areas had increased;
- AWA employees were more likely than the 'proxy collective' employees to be satisfied with the level of communication in the workplace and with the level of training they receive;
- AWA employees were more likely than the 'proxy collective' employees to agree that management does its best to get on with employees and that management can be trusted; and
- AWA employees were much less likely than the 'proxy collective' employees to have experienced increased stress at work in the two years prior to being surveyed. AWA employees were also more likely to have experienced a decrease in stress compared to 'proxy collective' employees.

The results of both of these studies reinforces the view that, AWAs can and do cater for a flexible family friendly working environment.

In the *Striking the Balance* discussion paper, HREOC presents an argument that agreement making has made balancing work and family responsibilities more difficult for employees.<sup>14</sup> The Department contends that the opposite is in fact true and this

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<sup>14</sup> HREOC, *Striking the Balance: Women, men, work and family* discussion paper, page 91.

submission uses primary sources to clearly show that agreement making has assisted employees covered by federal certified agreements and AWAs to negotiate the inclusion of family friendly working arrangements in their agreements. Moreover, HREOC's argument fails to acknowledge that agreement making is entered into by two parties where flexibility is arranged to suit both the employer and employee.

### **Workplace relations reforms**

Under the Australian Government's workplace relations reforms, workers will be guaranteed a legislated minima in respect to minimum wages, parental leave, annual leave, family/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. The reforms will strike a sensible and fair balance between business certainty and safeguarding employee rights.

The Government will for the first time enshrine in legislation key minimum conditions of employment: annual leave, personal/carer's leave, parental leave (including maternity leave) and ordinary hours of work. These legislated conditions together with the minimum wages set by the Australian Fair Pay Commission will form the Australian Fair Pay and Conditions Standard (the Standard). The Standard will provide genuine protection for all Australian workers and drive continued jobs growth by providing easier access to workplace bargaining.

All agreements will have to meet the new Standard. The Standard will make it easier for employers and their employees to compare their agreement against this new safety net of fair pay and conditions. This approach strikes a sensible and fair balance between business certainty and safeguarding employee rights.

A streamlined, simpler and less costly agreement making process will be introduced. All collective and individual agreements will be lodged with the Office of the Employment Advocate (OEA). The process for both making and lodging workplace agreements will also be simplified.

The Government is also committed to ensuring that women and men receive equal remuneration for work of equal value. Until the commencement of the Workplace Relations Act 1996, there was no statutory requirement to apply the equal remuneration principle in the federal jurisdiction.

The Government is committed to ensuring that workers with caring responsibilities are protected from discrimination. It will remain unlawful to dismiss an employee on discriminatory grounds including, among other grounds, sex, pregnancy or family responsibilities, or absence from work on parental leave.

Some aspects of the reform process are still under consideration. The Department will provide more information about the impact of the reforms once the legislation to give effect to the reforms is introduced into the Parliament.

## **Parental leave**

The workplace relations system provides up to 12 months of unpaid parental leave as a minimum standard for eligible employees. Permanent full-time and part-time employees, as well as regular casuals who have at least 12 months of continuous service with their employer, can take up to 52 weeks of unpaid parental leave following the birth or adoption of a child. Parental leave will be part of the new Australian Fair Pay and Conditions Standard.

Employees can also negotiate paid maternity or paternity leave 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>15</sup> The latest ABS data confirms 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>16</sup>

The Government also provides financial support for new mothers in the form of a universal Maternity Payment. This payment, currently worth \$3119 for each newborn child, provides direct financial assistance for families for the period following the birth of a child in recognition of the costs associated with that time. The benefit will increase to \$4000 on 1 July 2006 and to \$5000 on 1 July 2008. The benefit is available to all families, regardless of family income or workforce status.

## **Personal / carer's leave**

Personal and carer's leave can be of significant assistance to employees to meet short-term caring needs or family commitments. The *Household Income and Labour Dynamics in Australia* (HILDA) survey found in 2003 that half of all employees had access to leave for the purposes of caring for family members.<sup>17</sup>

Through formal agreement making, 29 per cent of current federal certified agreements contain family/carer's leave provisions, resulting in 61 per cent of employees under agreements having access to this provision (as at 30 June 2005).<sup>18</sup>

## ***Flexible working arrangements***

Flexible working arrangements play a major role in providing people with options to balance their work and family needs over their life cycle. Flexible working arrangements include part-time work, casual work, hours flexibility and work from home. These arrangements can be used for a variety of reasons. They can assist mature age people, parents and carers of people with disabilities and elderly people who are looking for paid employment but also have other competing demands on their time and priorities.

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<sup>15</sup> Department of Employment and Workplace Relations, Workplace Agreements Database, agreements current at June 2005.

<sup>16</sup> ABS, *Forms of Employment Survey*, November 2004, Cat. No. 6359.0.

<sup>17</sup> HILDA Survey, wave 3, unpublished data.

<sup>18</sup> Department of Employment and Workplace Relations, Workplace Agreements Database, agreements as at 30 June 2005.

The Australian Government recognises the importance of providing flexible employment assistance to people with caring responsibilities to help in the transition between, or returning to work. Many carers take significant time out of the paid workforce while they are caring. The use of leave and flexible working arrangements is common among employees with caring responsibilities.

### Spread of flexible working arrangements

A 2002 survey of employees in Queensland found that around 42 per cent of women and 31 per cent of men who were carers and also employees said they had used work arrangements in the last six months to help care for another person.<sup>19</sup> The most commonly used flexible work arrangements were paid leave (46 per cent), flexitime, rostered days off or time in lieu (39 per cent), informal arrangements with employer (27 per cent), temporarily reducing hours of work (16 per cent), working from home (16 per cent) and unpaid leave (16 per cent).<sup>20</sup> Similar results were found in an earlier survey in NSW.

As shown in Table 1, over half of all employees with children under 12 years in Australia have flexible or negotiated start and finish times. Around 40 per cent of men and 32 per cent of woman with children under 12 years have flexible start and finish times, with an additional 15 per cent of men and 26 per cent of women able to negotiate their start and finish times with their employer. Around 44 per cent of employers with children under 12 years are able to work extra hours in order to take time off, while 25 per cent of men and 10 per cent of women with children under 12 years are entitled to rostered days off.<sup>21</sup>

**Table 1: Employees in main job; whether have children aged under 12 years; by access to selected working arrangements (2003)**

	Have children aged under 12 years		
	Males (%)	Females (%)	Persons (%)
With flexible start & finish times	40.2	31.6	36.5
Have negotiated fixed start and finish times	14.6	25.5	19.3
Entitled to rostered day off	24.9	10.0	18.5
Able to choose when holiday leave is taken	72.2	67.9	70.4
Paid leave (sick, holiday or both) entitlements in main job	84.6	64.3	75.9
Work in job-share arrangement	0.2	8.5	3.8

Source: ABS, *Working Arrangements*, November 2003, Cat. No. 6342.0

Data from the HILDA survey shows that around 60 per cent of employees with children under 15 years have access to paid or unpaid carer's leave to care for a sick or injured family member, and 19 per cent of men and 16 per cent of women with children under 15 years are able to access home-based work.<sup>22</sup>

<sup>19</sup> ABS, *Managing paid employment and unpaid caring responsibilities*, QLD, cat no 4903.3 Oct 2002.

<sup>20</sup> ABS, *Managing paid employment and unpaid caring responsibilities*, Queensland, cat no 4903.3 Oct 2002.

<sup>21</sup> ABS, *Working Arrangements*, Cat. No. 6342.0, November 2003.

<sup>22</sup> HILDA, Wave 3, unpublished data, children under 15 years refers to youngest resident own child, which excludes step and foster children and own children not usually resident in the respondent's household.

The use of family friendly arrangements by employed parents to assist them care for their children has increased since June 1993. In June 2002, flexible work arrangements were used by either parent in 56 per cent of families with at least one parent employed, up from 51 in June 1993. Employed mothers were more likely to use flexible working arrangements than employed fathers. In June 2002, 70 per cent of employed mothers used some kind of flexible working arrangement. They were most likely to use flexible working hours (39 per cent), followed by permanent part-time work (35 per cent) and working from home (18 per cent). However, the proportion of employed fathers using flexible work arrangements has increased - from 24 per cent in 1993 to 30 per cent in 2002. The most commonly used work arrangement among employed fathers is flexible working hours, which was used by 22 per cent of employed fathers in June 2002.<sup>23</sup>

While there is some unmet demand for working arrangements to manage caring responsibilities, this appears to be relatively low. Around 11 per cent of male employees and 16 per cent of female employees, in Queensland, who had caring responsibilities wanted to make more use of work arrangements to care for another person.<sup>24</sup> Similarly, 10 per cent of male employees and 14 per cent of female employees with caring responsibilities in New South Wales wanted to make more use of work arrangements to provide care.<sup>25</sup>

Among employees who wanted to make more use of work arrangements to provide care, the most common reasons for being unable to do so were not having adequate working arrangements and work commitments. Pressure from bosses or other workers was a concern for only a minority of people (cited by 10 per cent of Queensland employees and 12 per cent of New South Wales employees who wanted to make more use of work arrangements).<sup>26</sup>

### **Working hours**

Working hours arrangements are becoming more flexible. An increasing proportion of employees work shorter hours than a standard week in order to balance their work and family responsibilities. Alongside this, working hours are becoming more diverse with more non-traditional hours of work due to changing customer/client needs and more flexible service delivery.

In many cases, diversity of working hours is of benefit to both employees and employers. Employees are better able to manage their responsibilities outside of paid work, while employers can better manage peaks and troughs in their business and adapt to changing circumstances.

In the *Striking the Balance* discussion paper, HREOC explores the influences on men's choices regarding their ability to be involved in parenting and unpaid work.

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<sup>23</sup> ABS, *Child Care Survey*, cat. no. 4402.0, June 2002.

<sup>24</sup> ABS, *Managing paid employment and unpaid caring responsibilities*, Queensland, cat no 4903.3 Oct 2002.

<sup>25</sup> ABS, *Managing paid employment and unpaid caring responsibilities*, New South Wales, cat no 4903.1 Oct 2000.

<sup>26</sup> ABS, *Managing paid employment and unpaid caring responsibilities*, Queensland, cat no 4903.3 Oct 2002; ABS, *Managing paid employment and unpaid caring responsibilities*, New South Wales, cat no 4903.1 Oct 2000.



Employment commitments is cited as a major barrier to more involvement with long working hours a contributing factor.<sup>27</sup>

The Melbourne Institute of Applied Economic and Social Research (Melbourne Institute), used data from the HILDA survey to examine the persistence of long working hours between 2001 and 2003. In the paper, the Melbourne Institute suggests that although working hours are relatively widespread in Australia, it is a largely self initiated phenomenon. Professional and managerial workers with good promotional opportunities may choose to work longer hours to appear as ideal workers. Overall people working long hours find it relatively easy to find another job indicating that, to some extent, working long hours is voluntary.

Contrary to earlier research, the Melbourne Institute found that there was not a relationship between being a father and working long hours. It suggests this means it is possible that some fathers are already cutting back on their work hours to spend more time with their children. Moreover, it suggests that policies which seek to limit working hours may not have the required effect since much of the long hours work appear to be voluntary.<sup>28</sup>

### **Part-time work**

The workplace relations system largely accommodates parental choices about working hours, with good access to flexible working arrangements including part-time work. The growth in part-time work has been steady over the last few decades showing that the labour market has become more flexible.

Many parents, particularly mothers, choose to undertake part-time work because it allows them to balance paid work with unpaid caring responsibilities. Part-time work can allow parents to return to the labour force, increase household income and reduce skill depreciation, while leaving time for caring responsibilities and the option of reducing non-parental child care.

Part-time work is widely utilised in Australia by employees, especially women with caring responsibilities. An Equal Opportunity for Women in the Workplace Agency (EOWA) survey shows that around 43 per cent of managers and 94 per cent of staff have access to part-time work, indicating that these arrangements are common across the workforce.<sup>29</sup> The uptake of part-time work has been increasing in Australia. Australian Bureau of Statistics (ABS) data show that in the ten years to July 2005, part-time employment grew by 40 per cent.<sup>30</sup>

Mothers work part-time rather than full-time primarily so they can take care of children, while fathers have mixed reasons for working part-time. Based on 2003 HILDA data, Table 2 shows that 74 per cent of mothers and 22 per cent of fathers who work part-time do so in order to care for children. Only 4 per cent of mothers

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<sup>27</sup> HREOC, *Striking the Balance* discussion paper, page 118.

<sup>28</sup> Robert Drago, David Black and Mark Wooden, 2005, *The persistence of long work hours*, Melbourne Institute Working Paper no. 12/2005.

<sup>29</sup> EOWA, *Work Life Survey 2003*, Annual Report 2003-2004.

<sup>30</sup> ABS, *Labour Force*, Cat. No. 6202.0.55.001.

who work part-time do so because they could not find full-time work and only 4 per cent prefer their current job which has part-time hours as a requirement of the job.

**Table 2 : Main reason for working part-time rather than full-time; persons employed part-time with child under 15 years (2003)**

	Males (%)	Females (%)
Caring for children	21.7	74.2
Could not find full-time work	19.0*	4.3
Prefer part-time work	11.6*	10.5
Other personal or family responsibilities	6.1*	3.3
Prefer job and part-time hours are a requirement of the job	8.1*	3.6
Going to school, college, university	**	1.2*
Own illness or injury	15.1*	0.8*
Other	14.6*	2.1

Source: HILDA Wave 3. Estimates are weighted to reflect the Australian population

\* indicates that relative standard error of estimates is between 25 and 50 per cent and should be treated with some caution.

\*\* indicates that relative standard error is higher than 50 per cent and a reliable estimate cannot be made

Part-time employment rates for mothers vary as their children age. Table 3 shows that employed mothers are more likely to work part-time than full-time while their children are aged under 15 years. However, the rate of part-time work declines as children get older: 78 per cent of employed mothers with children aged under one year work part-time, compared with around half whose youngest child is aged between 13 to 15 years.

**Table 3: Full-time / part-time status of employed mothers by age of youngest child (2001)**

Age of youngest child	Partnered mothers		Single mothers		All mothers	
	% FT	%PT	%FT	%PT	%FT	%PT
<1	21.5	78.5	25.9	74.1	21.7	78.3
1	28.2	71.8	27.9	72.1	28.1	71.9
2	31.1	68.9	30.5	69.5	31.1	68.9
3	33.7	66.3	31.7	68.3	33.3	66.7
4	34.4	65.6	32.9	67.1	34.2	65.8
5	36.1	63.9	34.1	65.9	35.7	64.3
6	36.6	63.4	35.0	65.0	36.3	63.7
7	37.9	62.1	35.4	64.6	37.5	62.5
8	39.3	60.7	37.1	62.9	39.0	61.0
9	40.5	59.5	38.1	61.9	40.0	60.0
10	42.1	57.9	39.7	60.3	41.7	58.3
11	43.8	56.2	41.1	58.9	43.2	56.8
12	46.2	53.8	44.5	55.5	45.9	54.1
13	48.5	51.5	46.4	53.6	48.2	51.8
14	49.5	50.5	48.5	51.5	49.3	50.7
15	49.9	50.1	52.5	47.5	50.4	49.6

Source: ABS, 2001 *Census of Population and Housing*, unpublished data.

Furthermore, the majority of women aged between 25 and 44 years who work part-time are happy with their hours of work. Table 4 shows that 77 per cent of 25-34 year olds and 80 per cent of 35-44 year olds who work part-time prefer not to work more hours. Most part-time workers who want to work more hours are either not looking for work or not available to start work.

**Table 4: Female part-time employed persons, whether want more hours of work, by age (2005)**

	% prefer not to work more hours	% actively looking for more work and available to start		% want more hours but not looking or not available
		Full-time hours	Part time hours	
15 – 19 years	68.1	8.0	6.6	17.3
20 – 24 years	61.8	13.4	2.8	21.9
25 – 34 years	77.0	6.5	2.3	14.2
35 – 44 years	80.0	3.9	2.6	13.5
45 – 54 years	79.3	4.3	1.9	14.5
55 – 59 years	85.8	3.3	1.2	9.7
60 – 64 years	90.3	0.4	1.3	7.9
65 years and over	96.4	0.8	0.3	2.6
Total	77.1	5.7	2.8	14.5

Source: ABS, Labour Force, detailed data release, cat. no. 6291.0.55.001, datacube E01, February 2005

Similarly, around 64 per cent of part-time employees with children under 12 years are happy with their hours: 45 per cent of men and 67 per cent of women prefer no change in the hours they work in their main job.<sup>31</sup>

### **Casual employment**

The emphasis of the WR Act is on providing employers and employees with choice in all forms of employment. It has removed arbitrary restrictions to encourage a more appropriate balance in the mix of employment types by providing improved access to their preferred arrangements.

Casual employment is a real job and in particular it is a viable and attractive employment option for young students or working mothers. Casual employment is flexible and family friendly, whilst also providing a perfect entry point into the labour market for unskilled and long-term unemployed workers. It allows them to gain valuable experience and knowledge which they can use to their advantage for future job prospects.

Casual employment has a variety of benefits for both employers and employees – it can be used as a ‘stepping stone’ to gain experience in the workforce and can assist people pursue paid work and manage their family responsibilities. Many casual workers choose to maximise their financial opportunities by foregoing traditional employee entitlements for higher hourly pay. The right to choose increased pay in lieu of leave should not be underestimated as a motivation for some people to engage in casual employment.

Casual work is an important avenue for engagement with the labour force. Growth in casual employment has enabled more unemployed and less-skilled persons to gain employment experience. Growth in casual employment has contributed to increased participation of persons who otherwise may not have looked for work. The latest HILDA survey shows that for a large percentage of casual employees their status is transitional, with 42 per cent moving on to non-casual employment within two years.<sup>32</sup> A large proportion of casual employment is undertaken by students, who are not looking for permanent employment. Casual work also suits many women balancing family commitments with employment. According to the ABS, these two groups accounted for just over 40 per cent of all casual employees.<sup>33</sup>

In the seven years prior to August 1996, casual employment grew by 42 per cent while permanent employment stagnated, growing by less than one per cent. In the seven years since August 1996, there has been more balanced growth in casual and permanent employment. Total casual employment grew by 22 per cent between August 1996 and August 2003 while permanent employment grew by 12 per cent. Casual employment incidence excluding owner operators has plateaued around 25 per cent in the five years to August 2003.<sup>34</sup>

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<sup>31</sup> ABS, *Working Arrangements*, cat. No. 6342.0 November 2003.

<sup>32</sup> HILDA Survey, Annual Report 2004, page 26.

<sup>33</sup> ABS, *Forms of Employment Survey*, November 2001, Cat. No. 6359.0.

<sup>34</sup> ABS, *Employee Earnings, Benefits and Trade Union Membership*, Cat. No. 6310.0.

Most casual employees are compensated for lack of leave and other entitlements that accrue to permanent employees, by a casual loading. Such loadings can range from between 20 to 30 per cent. Unpublished ABS data from the *Employee Earnings and Hours Survey* show that 88 per cent of casual employees receive a loading.

Most casuals feel secure in their jobs. According to the JobFutures/Saulwick Employee Sentiment Survey, 78 per cent of casuals felt quite secure or very secure about their job compared to 88 per cent of all employees surveyed. Casuals were also optimistic about their future employment security with 81 per cent expecting to feel the same or more secure about their job in 12 months' time.<sup>35</sup>

While working on a casual basis does not entitle an employee to standard hours of work per week, data from the ABS *Survey of Employment Arrangements and Superannuation* show that 46 per cent of casual employees have regular or predictable work schedules. Of those working a casual or relief work pattern, less than half would prefer to work a set number of days each week or fortnight. Overall two thirds of casuals were happy with their work schedule.<sup>36</sup>

### ***Initiatives to promote the use of flexible working arrangements***

The Government actively promotes the importance of providing flexibility to remain competitive in attracting and retaining employees in a tight labour market. The Department provides a range of information to support employers and employees on work and family issues. Practical advice is given to employers to encourage their adoption of flexible working arrangements that assist their employees and complement their business objectives and operation. Best practice in the provision of family friendly working arrangements and flexible working arrangements are showcased in the Australian Chamber of Commerce and Industry (ACCI) and Business Council of Australia (BCA) National Work and Family Awards.

### **Workplace Portal**

On the Workplace Portal ([www.workplace.gov.au/WorkFamily](http://www.workplace.gov.au/WorkFamily)), the Department provides a range of information to employers and employees who are interested in implementing family friendly working arrangements in their workplaces

The website provides information on workplace relations legislation and policies relevant to work and family issues as well as publications such as '*Working your way through pregnancy*'. The website also contains facts sheets on family friendly working arrangements including home-based work, job sharing, regular part-time work, father friendly workplaces, pregnancy and breastfeeding, maternity and parental leave, carer's leave, elder care and child care.

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<sup>35</sup> JobFutures/Saulwick *Employee Sentiment Survey*, No 10, Irving Saulwick and Associates and Dennis Muller and Associates, October 2003.

<sup>36</sup> ABS, *Employment Arrangements and Superannuation*, April – June 2000, Cat. No. 6361.0.

In *Striking the Balance*, HREOC suggests cultural change in workplaces is required for more fathers to use flexible working arrangements to have greater opportunity to be involved in their caring responsibilities. The *Father Friendly Workplaces* fact sheet (available from the website) not only aims to educate employers that work and family balance is an important issue for men and not just ‘a women’s issue’ but also provides practical suggestions on the types of measures that employers can use to create a ‘father-friendly workplace’.

HREOC also suggests encouraging change in workplace culture through emphasising the business case for greater flexibility in working arrangements. The Department already promotes the business case for flexible arrangements to Australian businesses. There are a range of fact sheets and publications available on the Department’s website. One example is the *Balancing the Till* publication released in 2002 and produced by the Department, EOWA and Australian Retail Association. This report provided a benchmark for flexible and family friendly working arrangements in the retail sector aimed at encouraging employer to adopt good practice as a means of attracting and retaining staff.

### **Family Friendly Agreement Clauses Database**

The Family Friendly Agreement Clauses Database is designed to assist employers and employees to negotiate family friendly provisions in their workplace by demonstrating what other organisations have already achieved. The Database contains a wide range of clauses drawn from federal certified agreements.

The Database includes examples of agreement clauses which employer and employees can adapt for use in the certified agreements or in an AWA. Users of the Database can search for examples of clauses taken from agreements covering organisations of different sizes and types and operating in diverse business environments. The Database can be accessed at [www.wagenet.gov.au/FFAC](http://www.wagenet.gov.au/FFAC).

Clauses available on the Database include:

- part-time work;
- parental leave;
- flexible working hours;
- make-up time;
- family/carer’s leave;
- purchase leave and career breaks;
- family responsibilities provisions;
- access to single days annual leave;  
and
- all purpose paid leave.

### **ACCI/BCA National Work and Family Awards**

The Department is a major sponsor of the ACCI/BCA National Work and Family Awards. The Awards recognise best practice in work and family working arrangements, especially those organisations that seek out and respond to their employees' particular needs while meeting business demands. The winners of the 2005 Work and Family Awards will be announced at a special presentation event in November 2005.

The Department also produces a booklet of the winners and finalists which highlights the key work and family policies and outcomes for each organisation. This booklet provides excellent case studies and model policies and initiatives that serve as useful tools for other employers striving to become more family friendly. The array of working arrangements used by small, medium and large businesses are exhibited, highlighting that there is no standard work/life policy that will suit the specific needs of all employers and employees.

The different industrial instruments used to provide flexible arrangements are also showcased, including both formal and informal arrangements. Informal arrangements are an important mechanism for introducing family friendly arrangements in organisations where it is generally more difficult to introduce certain provisions, for examples in small business. By their nature small businesses are less equipped than larger businesses to offer more costly conditions of employment. Informal arrangements can increase the spread of flexible working arrangements by giving employers the ability to cater to employees' requirements and consider their own business needs.

### **Office of Employment Advocate initiatives promoting family friendly working arrangements in AWAs**

The OEA provides a range of products and services which aim to demonstrate to employers and employees how AWAs can facilitate the introduction of innovative working arrangements, including practices that assist workers to better balance their work and family responsibilities.

The Employment Advocate must pay special regard to:

- the needs of workers in a disadvantaged bargaining position, for example, women, people from a non-English speaking background, young people, apprentices, trainees and outworkers;
- assisting people balance work and family responsibilities; and
- promoting better work and management practices through AWAs.

The OEA staff in the Client Service Network (CSN), comprising about 40 per cent of the OEA's total staff resources, spend the bulk of their time giving advice and assistance to employers and employees. An integral part of the CSN role is to discuss and promote work and family balance.

### **Welfare to Work Reform – Employer Demand and Workplace Flexibility**

In the 2005-06 Budget, the Government announced that it will provide funding of \$50 million over four years for an employer demand strategy aimed at increasing workforce participation for targeted groups in key industry sectors. The strategy comprises a range of measures including improving employer awareness of the benefits of hiring people with disabilities, parents, mature age job seekers and the very long-term unemployed.

As part of the strategy, the Department will work with industries and individual employers to develop innovative recruitment, employment and retention strategies to increase the participation of people with disabilities, parents, mature age job seekers and the very long-term unemployed.

The Department will also work with industry and employers to develop industry partnership projects and case studies to highlight innovative workplace flexibility arrangements through the use of workplace agreements. The projects aim to encourage employers in these industries to implement flexible, family friendly working arrangements by presenting the business case for their introduction and highlighting best practice examples. There are two industries that will be targeted in 2005-06 – restaurant and catering and retail. Both of these industries offer good employment opportunities for parents returning to the workforce. The successes and lessons learnt from projects under the employer demand strategy will be disseminated widely throughout the industries.

### **Role of Australian businesses**

Many Australian businesses recognise the significant benefits of adopting flexible working arrangements. For these businesses, flexible working arrangements are a valuable business practice enabling them to attract and retain staff and increase productivity.

While the Government has a role in providing information and the means by which organisations can adopt flexible working arrangements, ultimately it is the responsibility of Australian businesses to initiate flexible working arrangements, which are appropriate to business and employee needs. This provides the best method of delivering outcomes that facilitate the uptake of flexible working arrangements and business growth.

As highlighted previously in this section, the Government supports the adoption of family friendly arrangements in Australian workplaces. The Government encourages businesses to implement work and family policies using workplace agreements. The Department publicises the business benefits of work and family policies including increased employee satisfaction and loyalty, higher retention rates, increased productivity and reduced recruiting and training costs. The Department also encourages businesses to consider flexible working arrangements to attract highly skilled people who require flexibility for other commitments. This includes mothers returning to work and mature age workers.



## **Part C: Australian Government Support**

As highlighted in Part A of this submission, facilitating the economic participation of Australians who have some capacity and are available to work, but are not already engaged, is essential to Australia's ongoing economic prosperity. Furthermore, employment has considerable social and financial benefits for individuals and their families. Participating in the workforce provides people with higher incomes during their working lives and greater wealth to draw on in retirement. There is also evidence that those who participate in the workforce are in general, healthier than those who do not.<sup>37</sup>

Australia can improve its workforce participation rates by assisting those with the capacity to work, at least part-time, to join the workforce. The Welfare to Work package, announced in the 2005-06 Budget, is designed to increase workforce participation and employment and to reduce the number of families and individuals wholly or mostly dependent upon welfare. The package, which is valued at more than \$3.6 billion over four years, provides the right balance of requirements, incentives and assistance to help groups like parents, people with disabilities and the mature aged into employment. This section outlines the key measures to assist parents, mature age people and people with disabilities to participate in the workforce.

### **Supporting the participation of parents**

The Government announced a series of changes in the 2005-06 Budget to increase the participation of parents on income support in employment. The new measures include introducing the requirement for primary care parents on income support with a youngest child aged 6 or over to look for part-time work of at least 15 hours a week. The Government is concerned by the rising levels of long term joblessness among Australian households with dependent children, especially families headed by single parents. It is estimated that single parents spend a total of around 12 years on income support. This has contributed to a growth in jobless families and households to the point where nearly 700,000 children live in a jobless family.

Children who grow up in jobless households are at significantly greater risk of financial and other disadvantages in the future. Resolving this problem requires the Government to balance the benefits that come to families from employment with the need to care for and nurture children. The Government believes it has found the right balance by requiring parents on income support whose youngest child has reached age six to seek part-time work, consistent with their caring obligations.

The Welfare to Work changes are in line with community attitudes and with current patterns of workforce participation for parents. In a recent survey of customer and community attitudes, the majority of both customers and the community thought parents on income support with school age children should be required to look for work and undertake activities to improve their job prospects.

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<sup>37</sup> Australian Government, *Australian Demographic Challenges*, 2004 page 1

The majority of mothers in Australia, particularly those with school age children, combine parenting with paid work. Around 40 per cent of single Parenting Payment recipients with school age children do some level of paid work. Survey data indicates that Parenting Payment recipients who voluntarily participate in employment work an average of 20 hours per week, and 85 per cent indicate that, all things considered, they are satisfied or very satisfied with their jobs. Over half of Parenting Payment recipients who are working less than 20 hours a week would like to be working more hours, and the most common reason they are not working more hours is lack of longer hour jobs. In addition, the majority of those not working would prefer to work.

### *New Requirements*

Many parents want to and have the capacity to work part-time. Paid employment increases financial security for individuals and their families. Children are generally better off if their parents are less reliant on income support and participate in the paid workforce. People who depend for long periods on income support rather than paid work face increased risks of financial hardship and social exclusion.

From 1 July 2006, primary care givers in receipt of income support will be required to enter employment of at least 15 hours per week or to search for work. Those currently in receipt of payment will have one year to find work before formal requirements will be imposed. Parents who are not satisfying the employment requirement by this stage will be referred to suitable employment services. For most parents, this will involve referral to the Job Network, but for parents assessed with particular barriers to participation, referral to a disability employment service, vocational rehabilitation or the Personal Support Programme may be appropriate.

It is not the intention of the Government to place requirements upon primary care parents that could inhibit their ability to care for their children. As a result, a primary care parent's individual circumstances will be taken into account when determining their participation requirements. Special family circumstances that may be taken into consideration in determining exemption from participation requirements includes primary carers who are registered foster carers, recognised home schoolers and registered distance educators. They will also include primary carers with four or more school aged children as well primary carers of school aged children who are disabled or ill.

Primary care parents with part-time work requirements will not be expected to take up work if that work is to occur outside school hours and no suitable child care is available, or the cost of care would result in a very low or negative financial gain from working. Similarly, primary care parents on income support will not face any penalties if they are unable to meet their participation requirements for a period of time because their child is sick.

### *New services and assistance*

The Government is committed to providing assistance to those with obligations to seek work, to help them find a job. As a result, spending on services is being increased. The Government will introduce a new Comprehensive Work Capacity Assessment to provide accurate assessments and referrals to appropriate services.

Around \$316 million over four years will be invested (for all client groups affected by the Welfare to Work changes) in this service.

The Government will spend an additional \$282 million over the next four years providing employment related services to parents. These services include Job Network programmes, vocational rehabilitation through the Commonwealth Rehabilitation Service and referral to the Personal Support Programme for those clients who have significant non-vocational barriers to address before or alongside their participation in other employment services.

To assist primary care parents seeking part-time work, the Government has announced over \$260 million for additional child care places. The package will provide the additional outside school hours child care necessary to reduce barriers parents face in moving from welfare to work, as well as addressing the current high demand for places.

From 1 July 2006, parents and mature age people will be able to access a new service in Job Network which provides tailored assistance to job seekers with no recent work experience. Employment Preparation services will assist parents to return to the workforce by offering a range of training and courses. The Government will spend \$47 million over the next four years on the Employment Preparation Programme.

### ***Changed payment arrangements***

Under the proposed changes, parents currently in receipt of Parenting Payment (PP) will continue to be eligible under the current criteria. New applicants from 1 July 2006, will only be eligible for PP until their youngest child turns 6 years old. At this point they will be required to move to another payment, such as Newstart Allowance. Single parents who move to Newstart Allowance will continue to be eligible for the Pensioner Concession Card and Pharmaceutical Allowance.

The Government has also improved the returns from work for parents in receipt of Newstart Allowance. The second income test threshold for allowees will rise from \$62 per fortnight to \$250 per fortnight and the withdrawal rate has been reduced from 70 cents in the dollar to 60 cents in the dollar. Additionally, the taper rate on the spouse income test will be reduced from 70 to 60 cents in the dollar. This will increase the amount of benefit a parent can keep when he or she enters work.

From 1 July 2006, the eligibility criteria for the Carer Payment will be changed to give more support to carers, including many affected by changes to the eligibility criteria for Parenting Payment. The changes will extend eligibility to help more people who, because of the demands of their caring role, are unable to support themselves through substantial participation in the workforce. This will include carers of children with severe physical, intellectual, psychiatric or behavioural disabilities that may result in challenging behaviours. These children often require constant supervision for their safety and the safety of others. Often these children are also unable to attend school, which prevents their parents and/or carers from taking up substantial paid work.

### **Supporting the participation of mature age workers**

People aged over 55 years have significantly lower labour force participation rates than younger workers. The Australian Government has introduced a number of strategies to increase participation rates among older workers. These include the Mature Age Workplace and Employment Strategy and initiatives under the Welfare to Work package, such as the Employment Preparation service. The Government has also increased incentives to work, including the provision of a tax offset and bonus for remaining in the workforce, and decreased disincentives to work including changes to superannuation and job search requirements for mature age job seekers.

At different stages of their lives, workers have different needs in balancing work and family. Recently the OECD reported that older workers (over 50 years) are more likely to want to work less hours than their younger counterparts (25-49 years).<sup>38</sup> Not only do many older workers want to spend more time with family – as carers to elderly parents, children or grandchildren, but there may also be health imperatives, or they may just want a healthier balance between work and life as they move into retirement.

The Welfare to Work package also encourages employers to adopt more flexible work practices that recognise the needs of workers at different stages of their lives. Age Management Training is one initiative under the Welfare to Work package that encourages employers to encompass a diverse, multigenerational workforce and provide a flexible working environment. The project presents a business case to employers on the need to provide more flexible working arrangements if they are to attract and retain workers in a period of increasing skills shortages and an ageing and shrinking workforce. Included in the project are communications materials and training packages providing both employers and employees with the tools and resources needed to manage a flexible and age diverse workplace.

### **Supporting the participation of people with disabilities**

The Welfare to Work package contains a range of measures to increase and support workforce participation for people with disabilities. The package includes measures to encourage and assist employers to employ people with reduced work capacity and/or availability. It also has measures which provide incentives for income support recipients to move into work that matches their capacity. Together, these measures are designed to increase employment opportunities for people with disabilities.

The Government has established an Employer Roundtable to provide high level advice on ways to increase workforce participation for people with disabilities. The Employer Roundtable is made up of employers and peak bodies and is responsible for the important initiative of developing an action plan to drive employer demand for

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<sup>38</sup> OECD (2005), *Ageing and employment policies: Australia*, Paris, OECD Publishing, page 137

people with disabilities. The Employer Roundtable is due to report to the Government by the end of 2005.

A new jobs accommodation service will be developed during 2005-06, modelled on the successful United States Job Accommodation Network. The service will include a website, and will form a hub of information and advice for employers and employees with disabilities. The Government has also identified an extra \$25 million to boost the Workplace Modifications Scheme and \$5 million to increase the Wage Subsidy Scheme over four years. The Workplace Modifications Scheme reimburses employers for the costs involved in modifying the workplace or purchasing special or adaptive equipment for new workers with disabilities. The Wage Subsidy Scheme provides a financial incentive to employ eligible workers with disabilities under normal labour market conditions.

The proposed changes to Disability Support Pension eligibility are subject to the passage of legislation. If the legislation is passed, the changes will take effect on 1 July 2006. People claiming Disability Support Pension from this date will not be eligible for the payment if they can work 15 hours or more per week at award wages. These people will be assessed for Newstart or Youth Allowance instead.

Newstart and Youth Allowance recipients will be required to look for work that matches their capacity and/or engage in a recommended programme of assistance. Participation requirements for people with disabilities will be flexible to take into account individual circumstances, including caring responsibilities.

To support the changes to Disability Support Pension eligibility, Newstart and Youth Allowance will be enhanced. The income test for the payments will be changed so that all Newstart and Youth Allowance recipients can keep more of their payments as their income from work increases. Recipients with disabilities able to work part time only will get the Pensioner Concession Card. This card entitles the recipient to concessions on prescription drugs through the Pharmaceutical Benefits Scheme. State, Territory and local governments may also offer reductions on public transport fares, rates, power bills and car registration for Pensioner Concession card holders. Recipients with disabilities able to work part-time only will also receive Pharmaceutical Allowance and Telephone Allowance.

Disability Support Pension recipients are not required to participate in the labour force, but they are encouraged to volunteer for employment assistance and move into work if they can. At present, people who disclose high earnings from employment or tell Centrelink that they are starting work of 30 hours or more a week at award wages can have their Disability Support Pension suspended (held open) for up to two years. If they are unable to cope with the job or have to reduce their hours of work because of their disability, they can return to Disability Support Pension without reclaiming or attending an external assessment. From 1 July 2006, this provision will be extended so that people who are unable to maintain their employment for any reason, for example, including a change in caring responsibilities, can return to Disability Support Pension within two years.

The Government currently funds over 320 disability open employment outlets across Australia to provide employment assistance to eligible job seekers with an illness,

injury or disability. Services are funded to assist job seekers with employment preparation, job search and placement, and/or post placement support. Under the Welfare to Work package, the Government announced more than 20 000 new disability open employment places at a cost of \$173 million over four years. The package also includes almost 42 000 additional vocational rehabilitation places at a cost of \$186 million over four years for people needing rehabilitation to return to work.

## **Part D: Goals and Options for Change**

HREOC discusses a range of issues affecting Australian families, including work-life balance and women's and men's roles in paid and unpaid work in its report. HREOC argues that families' and individuals' choices are constrained and that there are problems arising from the unequal division of unpaid work, lack of flexibility in some jobs and trade-offs between flexibility and job quality or security. Possible goals for changing current paid work and family arrangements canvassed by HREOC include governments that provide adequate support for families to make real choices or workplaces that are culturally and structurally flexible.

As outlined in this submission, women and men have significant choice in arranging their working and non-working lives. Workplace flexibilities are increasingly being provided, preferences for hours of work are overwhelmingly met and women and men are taking up more opportunities for work and flexible work arrangements. The Government has a range of policies in place to meet the goals proposed by HREOC mentioned above. There are policies in place to support families in deciding how to meet their work and family commitments. There are also a number of initiatives which encourage employers and employees to realise the significant benefits of flexible workplaces through agreement making.

The Government's policy in relation to work and family is to allow families to exercise choice over how their work and caring needs are met, particularly as family circumstance vary widely. The Government undertakes this by providing financial support for families at different stages of their lives and providing a framework for flexible and family friendly workplaces, in the context of strong economic and employment growth. The evidence presented in Sections A and B of this submission shows that there is greater diversity in employment and working arrangements to meet the desire for flexibility in the workplace.

### ***Cultural and workplace attitudes***

The Government aims to encourage more workplaces to realise the benefits of flexible working arrangements by promoting the benefits of family friendly workplaces for both employers and employees. Benefits for workplaces include higher productivity, lower staff turnover and absenteeism, higher staff morale and greater customer satisfaction. Employees benefit from a better balance between work and non-work commitments, greater control over working hours and arrangements, enhanced job satisfaction and reduced stress. The Government has a number of means of promoting more effective and flexible workplaces, through promoting best practice in the ACCI/BCA National Work and Family Awards and through providing information on how to implement family friendly policies.

The Government is also encouraging employers to become responsive to the needs of individuals through the Employer Demand and Workplace Flexibility strategy as part of the Welfare to Work reforms. The Workplace Flexibility component will have industry specific initiatives to educate employers on introducing flexible work practices.

### *Options for change*

With regard to legislative options raised by HREOC, as indicated by the Government, wide-ranging workplace relations reforms are currently being developed and legislation to give effect to those reforms will be introduced into the Parliament in the near future.

Cultural change towards greater acceptance and understanding of the need for work-life balance in the workplace is an important way to encourage greater flexibility in the workplace, and greater accessibility of workplace arrangements. The possibilities for change outlined by the HREOC are:

- initiatives to encourage workplace cultural change such as encouraging employers to consider flexible arrangements, tailored to both men and women;
- continuing to emphasise the business case for cultural change towards shorter working weeks, greater flexibility and the importance of ‘doing the right thing’ as a key driver of change;
- canvassing and promoting different ideas for creating family-friendly employment arrangements, such as staggered hours, compressed working hours, shift swapping, part-time work and working from home; or
- government support for parenting programs for men in the workplace.

The Government currently has a number of means to support cultural change and promote the business case of flexible workplace arrangements. These are outlined in Part B of this submission.



## Conclusion

In the *Striking the Balance* discussion paper, HREOC canvasses options to change the arrangements that families use to balance their paid work and family responsibilities. HREOC's proposals focus on the areas it identifies as currently determining, and possibly restricting, the choice of arrangements used by Australian families. Part of HREOC's rationale for change is to provide families with choice in managing their paid work and family life. It also seeks to achieve structural and cultural flexibility in workplaces.

A key objective of the Government is achieving sustainable economic growth to overcome the challenges associated with an ageing population. Greater labour force participation and productivity are integral to increased economic growth. Improving workplace flexibility and the incentive to work are necessary to increase labour force participation rates. This submission sets out the goals, initiatives and achievements of the Australian Government to encourage workforce participation of all working age Australians. The support provided to employers and employees to adopt fair and flexible workplace relations practices is also outlined.

The Government is continuing to implement initiatives to increase labour force participation for working age Australians. The Welfare to Work reforms expand and improve services to help parents, mature age people and people with a disability to find work. Contained in these reforms are initiatives to encourage employers to adopt family friendly policies to assist employees to balance their work and family responsibilities.

The Government has significantly amended the workplace relations system to give employers and employees primary responsibility for determining wages and conditions. As shown in this submission, workplace agreements provide the means by which employees' working arrangements can be tailored to suit their needs. Workplace agreements have also been critical in assisting employers to increase productivity.

The proposed workplace relations reforms will further stimulate agreement making by simplifying the bargaining process. The reforms will provide further opportunities for employers and employees to negotiate at the workplace level.