



ACCI POLICY STATEMENT

WORK AND FAMILY POLICY

PRINCIPLES OF WORK AND FAMILY POLICY

Australians gain personal fulfilment, empowerment and social identity from many aspects of their lives, including both work life and family life.

Employers share the interests of all Australians in the creation and maintenance of stable families and in the contribution family life makes to Australian society.

For many Australians work is a valid source of personal fulfilment and social identity. It underpins the living standards of families and is a source of national wealth and benefit. Conversely, unemployment and underemployment can lead to poverty, personal insecurity and have a negative effect on the well being of families.

The extent to which work is available in the economy, is a function of investment and risk-taking, of the cost of labour, of efficiency, productivity and quality of work, of customer demand and of profitability.

Some workplaces have implemented flexible, creative and mutually beneficial working arrangements based on employee family issues, encouraged by flexibility and mutual choice made available by the contemporary workplace relations system. Over many years, informal arrangements have existed between businesses and employees to address specific work and family circumstances as they have arisen. These arrangements have equal legitimacy, whether formalised in agreements or informally determined in the workplace.

Many employers are not in an economic position to meet requests to vary work to accommodate employee family issues. What may be appropriate in some workplace contexts (such as larger enterprises running sophisticated human resource based 'employer of choice' strategies or public sector models which are heavily codified and inflexible) will not be possible in others (such as small to medium sized enterprises, or the private sector more generally). There are significant dangers in seeking to transplant particular approaches to other workplaces. Public sector approaches may not be a sustainable model for employers in the private sector. The OECD finds that there is "*little objective evidence to support the contention that introducing family-friendly arrangements tends to improve the financial situation of firms.*"¹

If family-based measures are imposed on employers who cannot absorb them without detriment to their businesses, the loss in flexibility and productivity will result in higher costs and reduced competitiveness, job losses, lesser job creation and reduced investment - with all the attendant social ills of unemployment and underemployment, including the adverse impacts on families.

A flexible workplace relations system, which fosters business efficiency and agreement-making between employers and employees, can constructively contribute to the relationship between work and family. However, industrial regulation is not the appropriate mechanism for developing new social policy. Workplaces are generally commercial undertakings, carrying substantial risk and are subject to the significant constraints of their markets and their budgets. The commercial requirements of a business must ultimately determine working arrangements.

Employers support Australian families through paying wages, paying taxes, paying superannuation and supporting training and personal development. Governments have an important safety net role in the provision of community and family services. Employers cannot assume responsibility for the welfare of individual families, or take on the role of governments in the provision of such services.

POLICY OBJECTIVES

Jobs are the top priority: There is no greater contribution Australian society can make to families than providing a strong, job-generating economy and increasing living standards. Policies which support the capacity of businesses to prosper and create jobs are the best contribution our society can make to its families.

Flexibility, mutual choice, informality, sustainability and workplace determination are key objectives: The primary contribution policy makers can make to addressing work and family issues in Australian workplaces are:

- a) a flexible workplace relations system consistent with the objectives of the ACCI policy Blueprint *Modern Workplace: Modern Future 2002-2010*;
- b) encouraging and supporting formal or informal workplace agreements on work and family issues;
- c) recognising that many businesses will be limited in their capacity to accommodate employee family issues;
- d) recognising that employers have responded on work and family issues and implemented measures where these are practical and sustainable. Scope for practical, day-to-day informal responses on work and family issues must be maintained; and
- e) acknowledging that it is appropriate that employers continue to decide the practicality and sustainability of responses to particular work and family issues.

Economic and business considerations must balance employee preferences: Accommodating employees on family issues may, in some instances, be beneficial to a business (such as through skill retention) but may also be a cost to employers (such as through reduced productivity, administration costs, reduced flexibility in production and service and additional costs of substitute staff). Employers will weigh the needs of their business and the costs imposed and determine if they can accommodate employee requests. Employers must have scope make these determinations based on the needs of their business and its customers. Employers who conclude that employee requests cannot be accommodated are exercising approaches which are perfectly legitimate and consistent with contemporary workplace bargaining.

Bargaining over Work and Family involves a mutual exchange: Some employers that choose to bargain on work and family issues may seek reciprocal operational, cost or work practice changes from employees. Bargaining over these issues involves the pursuit of common objectives and recognition of each party's legitimate interests.

Employers and employees must be able to agree to vary working arrangements without additional cost: Introducing work and family measures into a workplace without imposing additional costs is the best way to maintain employment and expand job opportunities. This may mean that:

- agreed variations to working arrangements are implemented without additional operational costs and with efficiency trade-offs;
- time not worked due to the accommodation of an employee's family-related requests is made up without additional cost; and
- access is made to accrued leave and other entitlements to meet employee requests for additional flexibility relating to family issues.

There is a role for a safety net of minimum employment conditions: There is a legitimate role for a genuine safety net in this area (such as minimum standards of parental and carers leave). However:

- ACCI does not support the misuse of the award safety net as a substitute for the proper role of bargaining;

- codifying family issues in an award-based system would be ineffective. The diversity of business and employee circumstances and interests needs to be recognised and for these issues to be appropriately considered when they arise and on the merits of the circumstances at that time; and
- one significant contribution the award system can make to the creation of an environment in which employers may be more able to accommodate employees on family issues is removing award inhibitors to the flexible organisation of work, including restrictions on part time work.

Work and Family may not be a priority for all employees or all employers: Just as employees will not on occasion have the flexibility to adjust their lives to meet the changing priorities of employers, many jobs will not be capable of variation to accommodate employee family issues. Priorities of both businesses and individuals vary. Some employees prefer to maximise income and working hours, whilst others place greater priority on family and leisure time. Businesses which cannot accommodate multiple or differential working arrangements should not be expected to create artificial or non commercial working arrangements or forms of employment.

One size cannot fit all: There is no universal set of family priorities that can be generalised for all Australian businesses or employees. Any attempt to impose one-size-fits-all prescriptions across Australian workplaces will stifle creative, innovative, workplace-focused approaches to work and family issues, operate to the detriment of employees and ultimately their work and their families. Policies which recognise the diverse range of business needs and employee circumstances are the best way to achieve practical improvements at the workplace level to the work and family balance.

Endnote:

¹ OECD 2001 Employment Outlook *Balancing Work and Family Life* p.148.

For further information:

Peter Anderson
Director, Workplace Policy
Telephone: 03 9668 9950
Facsimile: 03 9668 9958
Email: peter.anderson@melb.acci.asn.au