

1. INTRODUCTION - WORK AND FAMILY IN CONTEMPORARY AUSTRALIA

Key social and demographic changes

[1.1] Australian society, as this the Australian economy and labour market, has undergone profound change in the post-war period. The economic changes have developed from and been ingrained into a global economy in which Australia and its labour market functions. Social changes have resulted in a significant shift in family circumstances and in the kinds of working arrangements which employees seek to meet those family circumstances.

[1.2] Award conditions and employment arrangements were for many decades predicated on the notion that, in a couple household, one person in the household (almost always male) was the primary breadwinner, working full-time and securing income for the household, while the other had primary responsibility for raising children.

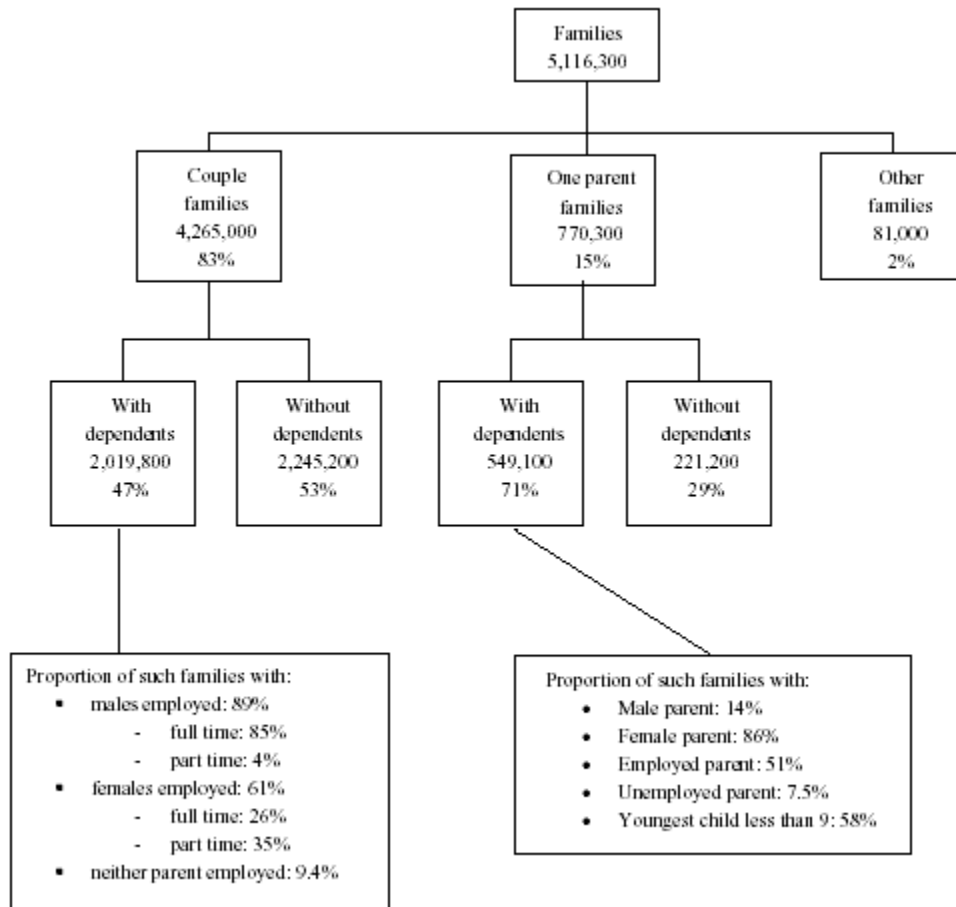
[1.3] Australian society has however shifted towards a much broader and more diverse range of circumstances and arrangements. The prevalence of the household arrangement mentioned above, is becoming increasingly diminished.

Types of household arrangements

[1.4] As stated, a diverse range of household arrangements have evolved in Australian society. Increasingly common (though by no means exhaustive) types of household arrangement include:

- a. Dual income households: with both adult household members working full-time.
- b. 1+0.5 households (one partner working full-time, one working part-time). This arrangement appears to have become the most common household working arrangement.
- c. One parent households, where one person has responsibility both for providing household income and caring responsibility.

[1.5] An analysis of family arrangements, based on ABS data¹ is included below (Figure 1).



[1.6] Increasingly people, particularly women, now combine parenting responsibilities with work. Participation rates for parents as summarised Wolcott and Glezer (based on ABS data)² are the following:

- a. 52% of mothers in couple families and 34% of sole mothers with their youngest child under 5, were in the workforce.
- b. By the time the youngest child is 5 to 9 years, 72% of mothers in couple families and 62% of sole mothers were in paid work.
- c. By the time the youngest child is 10 to 14 years, 76% of mothers in couple families and 61% of sole mothers were in the workforce;

¹ ABS, Labour Force and Other Characteristics of Families, Cat No. 6224.0, June 2000

² "Work and family values, preferences and practice", Glezer H and Wolcott L, *Australian Family Briefing*, No. 4 of 1997, AIFS.

- d. For fathers in couple families, regardless of age of youngest child, 95% were in the workforce.

[1.7] Decisions about whether to engage in paid employment, and regarding what set of circumstances best suits a particular family, are the result of a wide range of influences and factors, including the structure of taxation and social security systems³. Participation is therefore determined by a far broader range of considerations than award or employment conditions alone.

Other key demographic changes

[1.8] Numerous other demographic and lifestyle changes all have a bearing on the issue of achieving balance between the work and non-work sphere.

[1.9] These have included changing notions of the role of men and women in society and far greater legal protections in relation to discrimination and equal employment opportunity. This has been reflected in various ways in the employment regulation system over time, including the passage of equal pay cases during the 1970s.

Ageing population

[1.10] Another important demographic change is the ageing of Australian society. Australia's population is getting older, and this trend is expected to continue. There are many reasons for this change, but improvements in health levels and medical science, as well as declining fertility levels, are some of the key reasons, and the ageing of the 'baby boomer' generational cohort:

“ABS projections show that the ageing of the Australian population will continue, as the inevitable result of low levels of fertility over a long period and decline in mortality rates. Median age is projected to increase from 34.3 years in 1997 to between 40 and 41.1 years in 2001 and between 43.7 and 46.2 years in 2051 (Table 2.1)”⁴

[1.11] There will furthermore be a significant increase in the proportion of the population that is aged 65 years and over. The aged 65 and over population is expected to increase 36.2% between 2011 and 2021⁵.

³ “Work and Family Directions in the US and Australia: A Policy Research Agenda”, Drago, R, Scutella, R, Varner, A, *Melbourne Institute Working Paper No. 12/02*, July 2002, p. 25

⁴ Disability and Ageing: Australian population patterns and implications, Australian Institute of Health and Welfare, Canberra, 2000, p.6

⁵ Ibid, p. 9.

Leisure

[1.12] A wide variety of other social and societal affect the consideration of the interaction between work and non-work life. One of these is changes in the way people have spent their non-work time, i.e. leisure options. Opportunities and leisure choices have proliferated in the post-war period, and the ways that people choose to spend their leisure time have become increasingly diverse, particularly in the past two decades.

[1.13] As an associated change, the way people approach and make use of their annual leave has also changed. The use of leave has become far more diverse as people's preferences, interests and options have changed. While some people may still prefer to take four weeks' annual leave every year, many other people prefer short-term leave (be it a single day, a break of a week) while others may prefer to periodically save up their leave for a longer period off work (e.g. ten weeks) for a variety of purposes, e.g. extended holidays overseas or interstate with family.

[1.14] Furthermore, with two partners working, there is more need for leave arrangements to be timed to suit both partners.

Industry developments

[1.15] Just as family arrangements have changed, the Australian economy and the conditions under which industry operates has been transformed. The economy is more exposed to international competition than ever before and even domestically, the trading environment for businesses is acutely competitive.

[1.16] Industry faces a never-ceasing and increasing imperative to deliver products and services cheaper, better, quickly and more flexibly. Customer and consumer expectations have changed and increased. Society is increasingly '24 hour'. Customers and clients expect flexibility and for services and products to be available instantly or at short notice. The management of labour, labour supply and labour market skills around these demands of the market is an enormous daily challenge for Australian employers.

[1.17] Technology and in particular communications and information continue to transform the way businesses operate and the world of work. Businesses are required to constantly adapt and assess their operations to survive and grow.

[1.18] Small business has emerged as a key driver of employment growth. Conversely, small business is most likely to remain dependent on awards for the determination of employment conditions.

[1.19] The award system has not changed sufficiently to meet either the transformation of industry circumstances or employee preferences. Awards are an accretion of conditions and restrictions arising from social and industrial notions of the last century. While everything around awards is transforming rapidly – the economy, trading hours, industries and service provision, communication, leisure, work, families – awards, while undergoing occasional reform, have not kept pace with these changes. There is scope for additional and appropriate modernisation of the safety net.

[1.20] Industry, particularly in light of work and family balance issues, requires more flexibility to determine terms and conditions of employment appropriate to business conditions and labour market circumstances.

[1.21] So many simple, common sense arrangements remain difficult if not impossible to achieve under awards. The challenge for the system is to formulate a flexible approach to the safety net which is consistent with the environment industry operates in, and recognises the far greater diversity of labour market needs which employers evaluate and seek to accommodate in their businesses.

Industry leadership on work and family

[1.22] Employer organisations and industry have a proven track record of providing support for measures to enhance the capacity of employers and employees to better address work and family balance issues.

[1.23] ACCI's Work and Family Policy (attached) represents the articulation of an industry approach to work and family balance and an approach which should guide thinking on how to best reform award arrangements to better assist with work and family balance.

[1.24] Key messages from the ACCI policy statement adopted in 2003 include:

- a. Jobs are the top work and family priority.
- b. Flexibility, mutual choice, informality, sustainability and workplace determination are key objectives.

- c. Economic and business considerations must balance employee preferences.
- d. Bargaining over Work and Family involves mutual exchange.
- e. Employers and employees must be able to agree to vary working arrangements without additional cost.
- f. There is a role for a safety net of minimum employment conditions.
- g. Work and Family is not a priority for all employees and employers.
- h. One size cannot fit all.

[1.25] ACCI's Work and Family policy informs and guides the approach to varying awards contained in this application.

Implications

[1.26] All these developments have implications for how work and non-work life is to be balanced, and for how work could be better balanced with family responsibilities.

[1.27] It could be said that the workplace relations system previously balanced work and family by providing for a full-time wage for a male breadwinner, set at a level that, in the words of the Harvester judgement, must be enough to support the wage earner (and his family) in "*reasonable and frugal comfort*". This was ensured by setting male, full-time wages at a particular level. Capacity for part-time and casual employment was limited, and women's wages were discounted, as they were not considered to be the primary breadwinner. Indeed for much of the history of employment regulation in Australia, female workforce participation was actively discouraged.

[1.28] As a function of social and demographic change, there has been an ongoing evolution to the award provisions to better reflect contemporary family circumstances and needs:

- a. These have included changes listed above, such as equal pay for men and women:
- b. Far greater capacity to work less than full-time hours has also been created, thus allowing people who might otherwise not have been able to do so, to do so, and in turn providing far greater scope to combine caring

responsibilities with paid work. This appears to have been fundamental to increased female workforce participation during the past three decades. Industry has long supported these and other, more flexible ways to work and provide labour services.

- c. Rights to return to work after parental leave, thus providing greater capacity to combine work with childbearing activities.
- d. Finally, new forms of leave which specifically recognised the right of employees to care for family or household members when sick, but also other short-term leave provisions (such as make-up time).

The current challenge

[1.29] The current challenge is how to empower employers and industry with greater capacity to accommodate employees with options to assist them in balancing work with family on a full-time, part-time or casual basis, particularly given diverse family circumstances⁶

[1.30] Combining family responsibilities with work raises two key issues for some employees based on their family circumstances:

- a. The intersection of hours of work (both in aggregate sense and in terms of when hours are worked) and family priorities. For example dual earner couples with children under the age of 15 years seek to coordinate their work schedules to reduce the amount of time when both partners are working, therefore reducing dependence on non-parental care⁷.
- b. The capacity to access leave to address a variety of family situations, including illnesses, curriculum days, school holidays, excursions, or a diverse range of other family events.

The parenting cycle

[1.31] Employee work and family priorities can also vary with the parenting cycle. For example, mothers of very young children (under 5 years) prefer to work less

⁶ “Work and Family Directions in the US and Australia: A Policy Research Agenda”, Drago, R, Scutella, R, Varner, A, *Melbourne Institute Working Paper No. 12/02*, July 2002. See page 9 for a discussion of increasing family diversity.

⁷ “Coordinating work and family – Evidence from the Australian Time Use Survey”, Venn, D, Paper presented at the Australian Institute of Family Studies Conference, Melbourne, 12-14 February 2003

hours per week than mothers of older children⁸. As children get older, there may be a preference for longer hours which match with school attendance hours.

Elder Care

[1.32] As our population grows older, the number of employees who have elder care responsibilities, responsibilities to care for old or infirm parents, may increase. However it cannot be assumed that this will be the case – just because people are older, does not necessarily mean they will be sicker or more infirm for longer periods, particularly with ongoing advances in medical science. Nevertheless, there are currently and will continue to be certain employees with elder care responsibilities, both in an ongoing sense, and for shorter-term situations.

[1.33] Responsibility for caring for elderly citizens is a shared one between the entire community, governments and employees. Employers can and do provide assistance to employees, within reasonable limits. Individual employees bear responsibility for determining whether their caring responsibilities and preferred work arrangements are manageable.

Family arrangement options

[1.34] Considering the ACCI/NFF proposal developed in this outline of contentions:

- a. Dual income families may seek leave for times when family or household members are sick and requiring care. Those with children may also seek leave for those times when care can not be arranged or to attend particular events. They may also seek to access leave to address school holiday periods (e.g. for employees who have school age children). They may also seek flexibility regarding when hours are worked, to co-ordinate caring arrangements.
- b. In addition to the above, “1+0.5” families also want to have one partner working less than full-time hours (either part-time or casual, depending on their preferences and the availability of work).

⁸ “Work and family values, preferences and practice”, Glezer H and Wolcott L, *Australian Family Briefing*, No. 4 of 1997, AIFS.

- c. One parent households have needs similar to the above, however in many situations one parent households have lesser capacity to share caring responsibilities. Therefore access to less than full-time work becomes particularly important, as do capacities to use leave for situations such as to care for a sick child.

[1.35] What we have described are some of the main household scenarios which are prevalent within Australian society and some potential work and family based priorities for these families.

[1.36] However, caution is also required. As stated earlier, changes to family arrangements can be best described as towards increasing 'diversity'. There will be a range of circumstances, preferences and arrangements which are not covered by the models above. For example, some parents may only need intermittent work, to boost the income of a partner working full-time for particular needs. Others may wish to have full-time employment for a fixed term, but not ongoing employment. It is impossible to capture every possible work and family scenario, and generalisations to employee priorities and preferences should be approached cautiously.

Capacity and balance

[1.37] Not everything is possible. Neither every work and family request, nor preferred employee arrangement can be accommodated in every instance. Just as employees need to make decisions about how to best manage their work and family situation (particularly in regard to income), employers need to evaluate work and family based approaches based on their circumstances, needs and priorities. Compromises are often necessary. Ideal scenarios are not always available, and both employers and employees must do the best they can in the circumstances they face.

[1.38] Responsibility for balancing work life with family arrangements rests not just with employers, but with employees, the community and with government. This is an issue which is extremely broad, challenging and concerns society as a whole. It will not be advanced by partial or opportunistic approaches which seek to make one party shoulder the responsibilities of all.

[1.39] Businesses, in particular, face fundamental commercial pressures, and must trade viably to survive. Businesses are not child care centres, or social welfare agencies. They perform their key task by providing employees with jobs, which

in turns provides them with income necessary to support families. As an example, an employer who operates a CBD sandwich bar which caters to office workers and operates from 7am to 4pm every day cannot accommodate a request from an employee to change their shift from midday to 4pm to 2pm to 6pm. In that circumstance, the employee must seek alternative work that suits their needs.

[1.40] In practice, employers make considerable effort to accommodate employee requests for leave or variations to hours and conditions. They do this despite the ongoing and significant competitive and commercial pressures.

[1.41] The granting of leave imposes costs on a business, particularly leave on short-term notice. Employers have to meet a range of customer and client demands. They have binding legal and contractual obligations that must be fulfilled. Increasing costs prima facie makes it harder for businesses to remain viable. Therefore leave and other work and family measures must remain balanced and measured, and employers must retain capacity to determine their ability to responsibly meet employee requests.

[1.42] The award system help business match labour market requirements to operational circumstances, not hinder the management of labour. The efficiency of business is fundamental to the notion of a fair award safety net, and one that can provide a better work / family balance. The circumstances of “work”, not just the circumstances of “family” must inform these issues.

[1.43] Absences and leave from workplaces also places increased pressure on remaining employees, a significant factor that employers will want to consider and weigh in their decision making.

[1.44] However, there will be many situations where employees may request certain hours, leave arrangements or approaches their accruals. Where employees have requests that employers may be able to accommodate, it is appropriate that the award system provide support in facilitating such requests where possible on a consideration of industry and workplace capacities. ACCI policy has supported this objective and the ACCI/NFF applications are directed towards this end.