

Family Impact Statement

- On 'WorkChoices' – the proposed new Industrial Relations Regime



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IR Family Impact Statement

Introduction

During the 2004 federal election campaign, Prime Minister Howard undertook (as part of his discussions with Family First Senate candidate Steve Fielding, to prepare a Family Impact Statement on every new piece of proposed government legislation. That undertaking has not been met, though a start was made (within the Department of Family and Community Services) on developing a framework for such Family Impact Statements.

In my view, the notion of examining new legislation in terms of its likely impacts on families is an admirable one. It is not an easy thing to do, in part because family policy is by its nature value-laden and politically controversial, and in part because families are so varied and complex in their makeup, their circumstances and their values. But it is a sensible goal, given that governments, at any level, are supposed to govern for the common good, the wider community of families as citizens, not just for an abstract economy or the cause of growth. The underlying question about any change to existing laws is ‘To what end?’ And that end must include the wellbeing of families.

In the absence of any Family Impact Statement on the proposed ‘WorkChoices’ industrial relations legislation, the Unions NSW invited me to write one. Clearly, there is a close link between working conditions and the quality of family life. I have written extensively on the ‘work-family balance’, arguing that we should see work and family not as opposites, but as joint factors contributing to life satisfaction and dignity. The one is not opposed to the other, though they inevitably impact on our capacity to meet changing demands in each domain. Family and community work may not be paid, but they are crucial to the viability of our economy as a whole. It is important to the nation, therefore, to have policies and systems in place that help employees meet both their obligations to employers and to meet their wider family and community responsibilities

The Government's central claim in proposing to change Australia's industrial relations system is that 'choice' and 'flexibility' in the workplace (based on a reduction in fixed Award conditions and 'negotiation' between employer and employee) will improve both efficiency and productivity, leading to more jobs for those family members currently unemployed, plus a more prosperous economy that will benefit all families.

The underlying assumption is that a job of any kind - and an income at the minimal level - is enough to meet every family's needs. Yet family wellbeing results from the quality of relationships, not income alone.

It is my considered view that the IR proposals will damage relationships, inside families, within workplaces, and across the wider community. Without families and the caring work they do - providing mutual support, nurturing and educating children, looking after the aged and disabled, helping others through voluntary community work - there would be no viable economy at all. It is not at all obvious that a prosperous economy equals family wellbeing; indeed a prosperous economy based on inequality and job conditions not designed to help workers meet their family responsibilities is likely to be a divided and unhappy one for many families.

As Dr. Marian Baird puts it, human labour is not just a commodity to be traded in the market: "Unlike the market for wheat, the labour market requires regulation in order for it to deliver efficient outcomes. Without laws preventing unfair dismissal or below-subsistence wages, for example, even good-hearted employers may be forced by competitive pressures to compete on the basis of labour costs, begetting a "race to the bottom" with a low-wage, low-profits equilibrium. Ironically, the natural power imbalance that appears to cripple workers and advantage individual employers, will have drastic effects economy-wide – and thus far-reaching consequences."

I cannot claim this to be a complete Family Impact Statement, given my time constraints. But it is, I hope, indicative of the value of preparing such statements in general and in particular with this legislation, given that it is a revolutionary change in the nature of future working conditions and their effect on Australian family life.

Summary of Proposed IR Changes



The new baseline (looks like 5, actually 3)

1. Minimum wage (\$12.75 an hour for adults and as little as \$4.75 an hour for juniors).
2. Four weeks annual leave (but 2 weeks can be 'bargained' away)
3. Ten days of paid personal (sick leave and/or carer's) leave per year.
4. Up to 52 weeks of unpaid parental leave.
5. A maximum of 38 ordinary working hours a week (can be averaged over a year; timing of work hours can be changed without notice; and no limit to employer demanding 'reasonable additional hours', without overtime pay).

Individual contracts or bargaining agreements

- 80 per cent of workforce
- No longer protected by the 'no disadvantage test'.
- Will have to bargain to get anything more than the five (3) basic conditions.

Awards

- 20 per cent of workforce
- Will keep conditions (i.e. until current award expires) in 16 areas (down from 20) including penalty rates, overtime loadings, public holiday pay, annual leave loading and meal breaks.

Dismissal

- Workers at companies with 100 or fewer staff will no longer be able to sue for unfair dismissal; can go to court for 'unlawful' dismissal.

- At companies with more than 100 staff, workers will lose that right if sacked ‘for operational reasons... of an economic, technological, structural, or similar nature’.

Fair Pay Commission

- Five-person Commission to set minimum and award wages.
- No requirement to protect living standards (cf. AIRC now)
- Criteria emphasise providing work, a ‘safety net’ for the low-paid, and increasing the business competitiveness of employers.

What you can ‘negotiate’

- Base rates of pay (if above the minimum wage)
- Penalty rates
- Overtime pay
- Meal breaks
- Hours of work
- Cashing out two weeks annual leave a year



What you can’t negotiate

- Protection against individual contracts
- The right to take industrial action during the term of the agreement
- The right to appeal and be compensated for unfair sacking
- A requirement that unions be involved in resolving workplace disputes
- Paid leave to do union training
- Any other matters banned by future regulations

What is a Family Impact Statement?

A Family Impact Statement is an assessment - prior to the actual enactment and implementation of new legislation or regulations – of the ‘likely’ or ‘potential’ effect on families of the proposed changes.

In this sense, it is akin to the better-known ‘Environmental Impact Statement’ often required before governments or businesses alter the location of a waste chemical dump, a freeway, a new housing estate, or a new logging claim.

It is not mere speculation or conjecture; it uses the known data on families and their composition, circumstances, needs, etc., and the known research on family life and the area of regulation (e.g. work, health, safety, education) to project likely impacts, both positive and negative, on their way of life. The broad value assumption underlying any Family Impact Statement is, of course, that damage to family life should be avoided and family wellbeing should be promoted within the constraints of government resources and related policy objectives.

A later stage (and an essential one if government is to act responsibly) is to conduct research monitoring the actual impacts of the industrial relations changes as they affect the work and life experiences of a range of Australian families.

Just as an Environmental Impact Statement must look at several aspects of ‘the environment’, so too a Family Impact Statement must look at several aspects of ‘the family’. To claim that any proposed change (whether to tax, welfare benefits, health costs or education systems) will “benefit Australian families” is to ignore the reality that there is no one thing called ‘the Australian family’ and that family life today is very diverse and complex, changing across the life cycle as people leave home, partner, have children, separate, remarry and grow older. Workplace relations and job conditions will affect differently a young single person living at home with parents compared with an older divorced father living alone; or a young married couple with children where both partners are in paid jobs compared with a one-income couple,

husband employed, mother on home duties; or a highly-skilled, educated professional compared with a person lacking in self-confidence and marketable skills.

Similarly, family impacts need to be teased out into various aspects, such as financial impacts, the likely effects on personal wellbeing, marital relationships, the capacity to care for children, parenting time and quality, or special caring responsibilities for the aged and disabled, plus the family's involvement in community activities.

For purposes of this Family Impact Statement, I try to assess the proposed Industrial Relations changes in four areas:

- 1. Whether the claims made by Government, the stated goals of the legislation are based on sound assumptions and are likely or unlikely to be met.**
- 2. Their impact on the worker's experience of working conditions and his/her life quality.**
- 3. Their impact on family relationships and the worker's ability to meet his/her family responsibilities.**
- 4. Their impact on the wider community in which families live and the ability of workers to meet their social obligations and enjoy life as a community member.**

The four are inter-related, and the research we refer to makes it clear any legislation to change the nature of workplace relations should consider each area carefully.

Ideally, a Family Impact Statement should look at the likely differential effects of proposed legislation on different family types, at various income levels, in a variety of industries and geographic regions. Here, I cannot do justice to the full complexity of Australian family life, but the Statement is, I hope, an indication of the value of attempting to assess likely impacts prior to the legislation being passed, and of the need for governments then to monitor the ongoing real impacts after the legislation is acted upon.

Snapshot of Australian Families

The following chart shows Australian family households as they were at the last Census:

<i>Australian Family Types – 2001 Census</i>				
<i>All households</i> 6,744,795				
<i>Households containing a family</i> 4,866,031 72.1% of h'holds	<i>Lone person households</i> 1,616,213 24% of h'holds	<i>Group households</i> 262,551 3.9% of h'holds		
<i>Other families</i> 88,864 1.8% of families 1.3% of h'holds	<i>Couple families</i> 4,085,332 82.8% of families 60.6% of h'holds	<i>Lone parent families</i> 762,632 15.4% of families 11.3% of h'holds		
<i>With dependants</i> 1,904,122 38.6% of fams. 28.2% h'holds	<i>With non-dependent children only</i> 417,043 8.4% of fams. 6.2% h'holds	<i>No children present</i> 1,764,167 35.7% of fams. 26.2% h'holds	<i>With dependants</i> 529,969 10.7% of fams. 7.9% h'holds	<i>No dependants</i> 232,663 4.7% of fams. 3.4% h'holds

As can be seen, not all families have two parents, not all have dependent children, many have non-dependent children still living at home, others are couple-only households (both young and old) and a small number are 'others' such as extended family households. Each will be affected differently by the new industrial relations system.

Such bald family types conceal the real complexity of family life. For example, there is no accurate count of step-families, though the HILDA survey (2001) estimates them as 4.0 per cent of all families with children under 18. If we look at the marital status of all couples with children under 18, we find the following:

Marital status of couples with children under 18:

	<i>Intact couple</i>	<i>Blended</i>	<i>Step</i>
Married	92.3%	61.5%	47.0%
Cohabiting	7.7%	38.5%	53.0%

And if we look at it another way, we find an even more complex picture for children.

	Age of child			
	0-4	5-11	12-17	Total
Children with a natural parent living elsewhere, 1997:				
Living with natural mother in a :	%	%	%	%
Lone mother family	88.7	69.7	54.6	68.0
Step family	5.6	10.7	15.3	11.3
Blended family	1.5	8.8	11.9	8.4
Living with natural father in a :				
Lone father family	3.7	8.7	12.6	9.0
Step family	*	*	3.7	2.0
Blended family	*	*	1.9	1.1

Again, if we examine the labour force status of parents, the picture becomes even more complicated.

Labour Force Participation of Parents		
	Males %	Females %
Couple		
With children under 15	93.1	64.5
With dependants	92.5	66.4
Lone		
With children under 15	72.6	53.8
With dependants	73.9	57.1

Source: ABS Labour Force Survey, Feb. 2003, in de Vaus, 2005, p. 301

Family incomes vary widely according to their make-up and circumstances, with access to training, jobs and adequate remuneration all of vital importance.

Indicators of economic wellbeing (families with children under 15)			
	Lone Mother	Lone Father	Couple
Income (1999)			
Av. weekly taxable h'hold income	\$321	\$538	\$1083
Av. weekly h'hold tax paid	\$83	\$193	\$355
Main source of income from			
Pensions/benefits	63.5%	45.0%	9.3%
Housing (1999)			
Renting	66.8%	55.0%	22.9%
Over 30% income spent on housing	31.2%	32.5%	9.4%
Average weekly housing costs	\$204	\$202	\$253
Employment (June 2000)			
Employed full time	19.8%	47.7%	21.7% (both)
Employed (full or part-time)	45.9%	58.5%	60.5% (both)
Not employed	54.1%	41.5%	7.5% (both) Source

Source: ABS, as in de Vaus, 2005, p. 53

Questioning Government claims made in ‘WorkChoices’ about likely impacts.



The Government’s relative priorities are clear from the fact that its 67- page document ‘*WorkChoices: A New Workplace Relations System*’, which outlines the proposed changes, includes only two paragraphs on page 10 about achieving a better work-family balance, with the arguments about ‘helping workers and their families’ relegated to Attachment B at the end of the document on pages 63-67.

The overriding emphasis is on efficiency, productivity and greater flexibility for those in control of job opportunities and working conditions. The new Fair Pay Commission need not ‘have regard to’ the family responsibilities of Australian workers, but has as its primary objective “promoting the economic prosperity of the people of Australia”.

I do not wish to downplay the significance to families of economic prosperity; rather I would assert that economic prosperity is not, in itself, a guarantee of individual or family wellbeing. Much evidence points to the significance to wellbeing of family relationships, of supportive and cooperative workplace arrangements, and the maintenance of some degree of equality and fairness in people’s access to jobs that pay an income adequate to meet family responsibilities. (Eckersley, 2004) Social cohesion and community-building do not result from competitive negotiation and rising inequality; yet the proposed legislation seems designed to pit individual against individual, worker against worker, with little said about their reciprocal obligations to family and community responsibilities.

Australian workers and their families will need to look closely at the fine print of the federal government’s proposed ‘WorkChoices’ legislation before accepting that it is designed (as the Howard Government claims) to ‘help workers and their families’. They need to ask: ‘Which workers?’ and ‘Which families?’ as well as: ‘Will it help the boss more than it helps me and my family?’

If implemented, the Government should conduct a systematic monitoring of their actual family impact over time on a range of different families at various income levels.

Specific claims made in Appendix B of the 'WorkChoices' document include:

- **Claim 1 - wage growth:** "the strong economic, employment and real wage growth that has been achieved in Australia since 1996 has had a very positive impact on Australian family life".

'Which families?' Will they include the 799,000 Australian children who are now living in families where no adult member is employed (7.2% of couples with dependent children?); or the 51% of single parent households with children who are unemployed?; or the 10.5% of young people aged 18-19 who are unemployed but still living at home with parents? Some 40% of Australian workers say that work leaves them with insufficient energy to parent as they would like; 39% of women and 32% of men report often or always being 'rushed' through juggling work and family responsibilities. What is the positive impact of overall wage growth on the family lives of these people?

- **Claim 2 – increased job security:** "Families have had the security to invest and plan for the future, with higher job security and strong, sustainable increases in wages, including a 14.9 per cent increase in wages since 1996".

In fact, this is the mean average, not the median average (50 per cent above, 50 per cent below) which is actually a 2.6 per cent pay rise over that period. The bottom 20 per cent of wage earners had an increase of only 1.2 per cent, while incomes for the top 50 Australian executives rose by 194 per cent between 1999 and 2004. There is also a growing gap between the incomes of those living in the capital cities and those living in regional and remote areas. Metropolitan incomes increased at double the rate of those living in other urban centres and regional and rural towns. Non-metropolitan areas have a much higher proportion of low income households than do the capital cities (Lloyd et al, 2000).

The apparent pressure to keep wages down in the proposed legislation is likely to have a negative effect on our overall economy. In the United States, even WalMart (which has been paying the lowest minimum wages of all) has now seen how counter-productive it is, because their own employees cannot afford to buy goods from WalMart stores, thus damaging their so-called productivity and profit. Evidence from New Zealand would also suggest that a low wage economy is not a productive or innovative one.

We must also remember that household debt levels are at very high levels; that 27.9% of our workforce is now casual; and part-time work has risen from 18% of employees in 1984 to 29% in 2002. The GDP share of national wages is now 53.2% compared with a company profit share of 27.4%; whereas in the early 1980s it was 61% for wages and 22.6% for profit.

- **Claim 3 - flexibility equals ‘balance’:** “a flexible, modern workplace relations system ... is one of the keys to achieving the best balance between work and family”.

This depends on what sort of flexibility and is, as stated, just one of the keys to balance. Flexibility needs to be ‘appropriate’ to both the employer and the family responsibilities of employees. And ‘choice’ needs to be ‘supported choice’, with appropriate back-up from tax transfer policies, plus infrastructural support such as accessible and affordable child care. As opposed to ‘flexibility’, job security and predictability of work times and payments are also central to achieving any kind of work-family balance. As well, a workplace culture which respects the ongoing and changing family responsibilities which all workers inevitably carry is the real key to workers feeling a sense of ‘balance’. In the IR legislation, there are no proposals or procedures suggested which might encourage a responsive workplace culture; instead individual workers are pitted against employers, as though their interests were opposed rather than mutually supportive.

- **Claim 4 – individual workplace bargaining will help:** “Bargaining at the workplace level is particularly suited to tailoring working arrangements in ways that assist employees to balance work and family responsibilities.”

It may well be, for those who have a reasonable employer and the capacity to argue their own case; but some work-family needs are universal and should be supported by government-mandated, award conditions that need no negotiation at the workplace level – such as annual leave, public holidays, weekends, parental leave and carers’ leave. For those lacking in confidence and negotiating skills, or those in a position of less power, there is an obvious need for support (from colleagues, unionized or not, or from professional negotiators, where costs may be prohibitive). It is for the government, not an individual employer, to set the conditions under which family and community life can thrive, as the foundation for a sound economy.

- **Claim 5 – family-friendly workplaces are essential:** “Flexible, family-friendly working arrangements are critical in assisting parents, carers, mature age workers and people with disabilities engage with the paid workforce and maintain their attachment to the labour market. Flexible working arrangements are also beneficial for employers and businesses to attract and retain quality staff in a competitive labour market. Organisations with best practice work and family policies report a range of positive impacts, including higher retention rates, better morale, increased return rates from parental leave and higher productivity.”

There is ample research to back up these assertions, yet the IR proposals make no mention of, nor do they require the implementation of, those ‘best practices’. In comparison, the British Health Minister Patricia Hewett reports that the UK government’s recent requirement that every worker have the right to part-time and/or more flexible hours is already reaping productivity benefits. She asserts that you cannot leave such matters to negotiation between employers and employees – the best employers would do it, but millions of working parents would be left behind.

- **Claim 6 – protecting part-time work:** ‘WorkChoices’ claims (p. 64) that “Award restrictions on part-time and casual employment will be removed. In addition, all awards will be required to contain provisions for regular part-time employment.”

The Bill contains no such requirement, just a statement (WorkChoices, p. 32) that “All awards under WorkChoices must contain provisions permitting the employment of regular part-time workers.” This is not a worker right, just a restriction on past awards.

- **Claim 7 – minimum conditions will create jobs:** “By introducing a genuine safety net based on minimum wages set by the Fair Pay Commission and through enshrining a set of minimum conditions in Federal legislation for the first time, more jobs will be accessible ...a stepping stone for low paid workers to move into higher-paying jobs over time, increasing family incomes and reducing the adverse impact of unemployment on families. This helps families to meet the many expenses associated with the raising of children, including education, health care and transport costs.”



If job growth happens, it would be positive for those families without work and for those who are under-employed, but higher productivity and jobs growth is more likely to result from enhanced skills training, and

the stimulation of innovative work practices. The legislation is silent on such matters and ignores the negative impact on low income families of the way wages interact with the tax and family benefits payments systems. ACOSS (October 2005) examined the likely impact of the proposal to shift on to the Newstart Allowance, after July 2006, all single parents of children aged 6 and over, and all people with a disability who are assessed as able to work 15 hours a week or more. Worse off will be some 81,000 people with a disability and 95,000 single parents - in all, 1.4% of the current Australian electorate. If a sole parent woman is forced to work or train after her children turn 6, the move of her income from a parenting payment to Newstart payments will mean 15 hours of work a week will make her \$29 a week worse off if

she is jobless, \$60 worse off if she is a student, and \$96 worse off if she is earning \$200 from a part-time job. (These changes to payments have now been altered under pressure from Coalition members, a good illustration of the value of studying actual Family Impacts). Apart from the availability of jobs suited to their training, child care responsibilities, and location, the experience of minimum pay rates in the US (on the same level now as 15 years ago) does not augur well for low-pay workers in Australia.

- **Claim 8 – leave entitlements protected:** “Family-friendly leave entitlements, including parental leave and personal/carer’s leave, will be set in legislation. It will be unlawful for any employee to have leave entitlements that are less generous than those set in legislation.”

In WorkChoices, p. 17, the government makes it clear that “Preserved award provisions will not form part of the new Fair Pay and Conditions Standard for agreement making.” and Section 6.4 makes it clear that the Award Review Taskforce can ‘rationalise’ awards or ‘delete’ such conditions.

Similarly, “penalty rates, loadings for overtime or shiftwork, allowances, incentive-based payments and bonuses that they are currently entitled to under their award” will only be preserved until their current award expires.

The transition between existing award conditions and negotiated new awards is one of the major concerns I have in terms of family impact. Employees now covered by an award will find, on expiry, that their employer can demand they move to an Individual Workplace Agreement (AWA), under the five minimum conditions, or else lose their job.

Hours of work and rates of pay will have to be negotiated, beyond the 38 hours of ‘Maximum ordinary hours’ covered in the new minimum standards provision and no upper limit is set on what hours may in future be demanded or worked. As well, penalty rates “can only be modified or removed by an express provision in a new agreement.” (p. 15), which sounds like a desirable thing, yet the implication is that

penalty and other special pay rates can be negotiated out if an employer is trying to cut costs and makes unfair demands on workers' time to meet their family responsibilities. It is stated explicitly (p. 66) that "An employer may require an employee to work reasonable overtime, but an employee can refuse to work overtime in circumstances where working such overtime would result in the employee working hours which are unreasonable, having regard to, among other factors, the employee's personal circumstances including any family responsibilities."

The legislation does not spell out what 'unreasonable' means, who will define 'unreasonable hours' in the workplace, or how an employee can make a claim of overtime hours being unreasonable stick in any negotiation with an unreasonable employer. There is no suggestion of extra pay for overtime. None of this guarantees any worker time away from work to meet his or her family responsibilities. 38 'ordinary hours' may well be a chimera for many workers.

- **Claim 9 – extending sick leave:** Under this same section on 'Protections', it is stated (p. 65) "Employees (other than casual employees) with caring responsibilities will be able to take up to ten days of their paid sick leave entitlement (of ten days per year) to provide care for a member of their household or immediate family who is ill or injured."

I see this as a positive broadening of leave entitlements, but the exception of casual workers is a very big 'except'. The Australian workforce now comprises 27.9% casual workers, many of them women with children. The new legislation offers no protections for casual workers of any kind, yet it aims to drive more people into casual work, because it is 'flexible' and therefore of use to employers trying to drive profits up.

Young Workers Advisory Service (YWAS) Case Study

"Damien's daughter (under 15) has been working at a convenience store as a casual for the last 4 months. Recently some problems have been occurring in the workplace, which gave rise to Damien trying to find out more about his daughter's employment. After contacting Wageline to find out what the Award wage is for his daughter, he discovered that his daughter was being paid \$2.50 an hour less than the award rate. Currently, Damien's daughter is able to make a complaint about underpayment of wages but she can be terminated given the casual nature of her employment – not an invalid reason."

There's no doubt that keeping our factories, offices and shops open for longer – ideally, 24/7 – will raise their productivity. That might not be profitable, of course, if the longer hours were a lot more expensive in terms of penalty rates. But get rid of the penalties and the increased productivity would assuredly lead most of us to higher incomes. So we have much income to gain by continuing down the road of getting rid of 9-to-5, overtime payments, weekends and public holidays, and paring annual leave back to a fortnight.

Trouble is, doing so puts means ahead of ends. It focuses on the income, forgetting why we want it. It makes us the servants of factories and offices rather than their masters. It robs us of our humanity, taking away our leisure and making us more like robots. The thing about robots, of course, is that they don't have families and don't need relationships. Humans don't just need leisure time, they need time off work at the same time as their spouse and when their kids aren't at school. That's why weekends were invented, particularly Sundays. Humans are obsessed by their families – by their mum and their dad, by their spouse and their kids, not to mention their siblings. If you were dirt poor, you might need to work at the expense of family relationships.

But we're richer than ever. Why do we need to impoverish ourselves by giving up leisure time, phasing out the weekend and seeing even less of our families? And how can the man who wants to lead us further down this road, John Howard, seriously claim to be a social conservative and a champion of family values?"

Ross Gittins, 'The irrational world of the rationalist: it's all work and no play', The Age, 19 October, 2005

Detailed assessment of family impacts

1. Impacts on the employee's experience of working conditions and his/her life quality



Just as work and family are integrally linked rather than two opposing forces in our lives, so too the individual's quality of life is integral to both work experience and family life. Work is not just paid labour; it is a source of life meaning, human dignity and satisfaction. Moreover, much work is not paid labour, but unpaid caring work in support of children, ageing parents, other valued activities in the community. That unpaid work is central to a thriving society, and to a viable economy, and no industrial relations system can operate effectively if it pits paid labour against the labour of love.

Every individual has a family. No longer can we talk of the 'work-family balance' as though it were simply a 'women's issue' involving child care and household duties. Even a single person has parents, siblings, other relatives who may rely on them (fully or in part) for income, emotional support, or physical care. The family responsibilities of men, especially as fathers and (increasingly in future years) as carers of their ageing parents cannot be ignored. And their capacity to fulfil those family responsibilities depends very much on their own individual health and wellbeing, their sense of job satisfaction, having a meaningful life purpose and satisfactory personal relationships.

1. Job security is a major factor in meeting family responsibilities, not only in terms of having a reliable and consistent income to cover housing payments and living costs, but also in terms of emotional stability and lack of stress. It is more difficult to fulfil any of our caring responsibilities when job security is threatened.

The new provisions on unfair dismissal are a direct threat to the job security of the 2 million Australian workers in small to medium size businesses. And while it will be

‘unlawful’ to terminate an employee because of ‘marital status, family responsibilities, pregnancy, absence from work during maternity leave or other parental leave’ (among other prohibitions), any employee making a claim of unlawful dismissal will have to obtain an order from the court, with an entitlement to \$4000 worth of legal advice unlikely to be adequate coverage of court costs and the very process daunting to most ordinary employees. Businesses with over 100 employees will also be able to terminate employment, with exemption from unfair dismissal claims, “for operational reasons ... of an economic, technological, structural or similar nature”. This is a very broad exemption which will threaten the sense of security of most Australian employees.

The new legislation does not extend the current provisions for maternity leave (paid or unpaid) and leaves open to negotiation in any future employer-worker agreement the possibility of paid maternity or parental leave. This means those workers whose awards or agreements currently offer paid family leave of any kind will have to argue the case anew, under threat of replacement by someone not needing or demanding such conditions.¹

Though the new provisions aim at a more individually ‘tailored’ agreement regarding times of work, the where, when and how of work tasks, they leave this entirely to separate workplaces and do not mandate (as the UK has done) that workers have any rights to regular part-time work or flexible hours to help them meet family obligations. An unsympathetic employer has no obligation to listen, or agree to reasonable requests by workers for more appropriate work-family arrangements. This seems to run counter to the Government’s efforts in the past to encourage a more family-friendly workplace culture and opens up the possibility of increased litigation under the anti-discrimination laws.

¹ Submission to the Senate Enquiry into the Workplace Relations Amendment by Narelle Rich on Maternity Leave

2. **Stress** is a major factor in harming both workplace performance and family relationships. **Long hours** and increased **work intensity** are major causes of workplace and family stress. All these are likely to increase under the Government's proposed changes.



Long work hours, plus the inability to control the spread of hours across the week, reduce job satisfaction, and exacerbate family conflict. Stress raises blood pressure (more than does smoking or a high salt diet) and leads to depression, withdrawal from family relationships and increases the incidence of violence. (ACCIRT, 2005) Some 20 per cent of Australian workers experience continual stress. The ACTU study found one in every four Australian workers has taken leave because of workplace stress. In the United States, 40 per cent of workplace turnover results from long working hours, at a cost of \$200-300 billion a year. Business demands for longer working hours produce higher absenteeism and accident rates, consequent costs in workers' compensation, medical and legal fees, and reduced productivity. For the United Kingdom, the cost estimate for undesirable outcomes of long working hours is 400 million pounds. The Japanese term 'Karoshi' (death from overwork) has been addressed by deliberate changes in the organisation of work; in Australia it will be left to an uncertain 'bargaining' process.

In Australia, the average hours of work for full-time employed persons has risen from 38.7 in 1983-4 to 41.2 in 2003-4 (37.5 hours for women, 41.9 hours for men). Those working 45 hours a week are now 13% of women and 36% of men; those working 50 hours or more a week has increased from 22.4% in 1993 to 24.7% in 2003. (ABS, Social Trends, 2004, p. 102; ABS 2005 Year Book, p. 174-5). Those increases are felt particularly at the highly skilled end of the job market, with advances in computer technology leading to increased intrusion into family time at weekends and in the evening. (Russell, 2005)

The first findings from a longitudinal AIFS study of Australian children found that overall, parents have a positive view of work. For 70% of them, being at work makes them feel more competent as individuals, and 49% said their working had a positive

effect on their children. This is hardly a surprise, since work has always been an important source of life satisfaction and personal identity. But, less positively, in this sample of 10,000 Australian parents, 47% “felt rushed” always or often. And 32% of mothers with infant children, 38% of fathers with infant children, 23% of mothers with 4-5 year-olds, and 41% of fathers with 4-5 year-olds said they would prefer fewer working hours. With close to half feeling “rushed” and round a third wanting to work fewer hours, that is hardly an endorsement of current work-family arrangements. Work impacts on children were measured in terms of the child’s health and physical development, their level of social and emotional functioning, and their learning and academic competence. Apart from the 49% who felt it was good for their children if they had a paid job, 37% said work had neither a positive nor a negative effect, and 18% (close to one in every five) reported that their jobs had a negative effect on their children’s lives. Less well educated and lower paid parents were more negative, and actual job satisfaction had the strongest effect on child outcomes. So it is not merely having a job that counts; it is having a job that is satisfying and allows parents to deal with their parenting responsibilities.

The 2001 Australian Workplace Relations Survey of some 2000 workplaces found job satisfaction and low satisfaction with the work-family balance were related to both longer hours and higher scores on the ‘work intensification index’ which measured effort put into the job, stress and the pace at which people worked.

Perceived conflict between work and family commitments			
% Agreeing	Fathers	Mothers	All
	%	%	%
Family responsibilities make me turn down work activities and opportunities I’d like to take on.	25.9	31.6	28.5
Family responsibilities make work time less enjoyable and more pressured.	19.5	22.8	20.8
Job requirements make me miss family activities I’d prefer to participate in.	52.2	34.9	44.2
Job requirements make my family time less enjoyable and more pressured.	31.6	24.1	28.1
I worry about what goes on with children while I am at work.	43.5	43.2	43.4
Working leaves me with little energy to be parent I’d like to be.	43.8	36.0	40.2
Working makes me miss some of the rewarding aspects of being a parent.	59.3	41.7	51.2

Source: HILDA, 2001 (FACS 2002a), in de Vaus, 2005, p. 313

3. Holidays and leave arrangements are specifically under threat in the proposed legislation.



The Churches have long argued that the Sabbath ‘day of rest’ is vital not only for religious observance purposes, but so the family as a unit has some guaranteed time together. Yet ‘ordinary working hours’ may be spread across the weekend, public holidays must be ‘appropriate’ (e.g. union picnic days are excluded) and awards may (or may not) “continue to contain provisions dealing with ... rest breaks, notice periods, variations to working hours, public holidays, ceremonial leave, penalty

rates, loadings for overtime or shift work”, all of which affect the capacity to rest, recuperate and spend joint time with family. Even the minimum 4 weeks annual leave is under threat, with workers (and employers) able to negotiate away 2 weeks of that leave for either higher pay or other conditions. Forgoing leave is a threat to the health and welfare of Australian workers and their families and should not be encouraged.

4. Control over time, what is called in the legislation ‘flexibility’ to be negotiated by workers with their employers, is certainly related to increased job satisfaction, greater commitment to the job and higher performance. But it is employee control, not just flexibility to suit production timelines or employer demands for longer or unsociable hours, that counts.

Large companies such as Hewlett Packard and IBM have recently demonstrated a 25 per cent higher level of performance resulting from the sense of commitment that arises when employees can control their own job flexibility and balance their work and personal lives. IBM found these highly committed people (25 per cent of their workforce) performed at a level 10 per cent higher than other employees did, at a benefit to the organisation of \$1.4 million over a 12 month period. Ironically, employees with perceived control over job flexibility (the how, when and where of work) are able to work longer hours before workload impacts negatively on their work/family balance. (Russell, 2005, p. 57) Recent US findings on ‘overwork’

(Galinsky et al, 2005) reinforce the fact that it is employer responsiveness to family-related needs, not just the vague goal of ‘flexibility’ that makes for a more effective workplace. An effective workplace is one which considers workers’ personal needs, offers a high degree of control over job conditions, provides opportunities to learn – all aspects of workplace relations not even mentioned in the proposed Australian IR legislation.

5. Mental health is now a global business agenda, yet it is under threat from the proposed IR legislation.

Employee wellness (both physical and mental) relates clearly to business benefits. Russell (2005) quotes from the World Federation for Mental Health:

“mental health is an important productivity weapon in an intensely competitive data-based world economy ... management practices – by definition – can either promote or impair emotional stability and functioning in the modern workforce ... emotional work hazards – like loss of control over one’s job, haphazardly altered priorities at work, office politics, uncertainty about former givens – demand as much attention as physical plant and product safety. Growing evidence tells us that psychosocial factors – such as jobs where performance expectations are high, but rewards low – have more impact on employee health than lifestyle considerations. There are indications that job control – specifically the lack of it – may be as much a threat to the health of one’s cardiovascular system as smoking.”

Self-care, the health of every worker, is vital to both workplace productivity and family relationships.

The recent report by the Australian Centre for Industrial Relations and Training suggests rising illness and falling levels of mental and physical health could be caused by the proposed workplace changes, as a ‘low wage model’ replaces the concept of a ‘living wage’ over the coming decade. A New Zealand Health Ministry report called *‘Decades of Disparity II: Socio-economic mortality trends in New Zealand, 1981-1999’*, shows that widening inequality had contributed to rising mortality rates, cardiovascular disease, lung and other cancers, suicides and had created gaps in life expectancy, following radical workplace changes similar to those being proposed under the IR legislation. British epidemiological studies of workplace changes in the UK, New Zealand, Victoria and Western Australia, also find links between health and inequality, the quality of work, community and family life.



The IR proposals are silent on self-care, worker control, and leave open the probability of increased workplace uncertainty, conflict and stress, all of which will impact on the quality of family relationships.

The bill permits complete flexibility across the 24 hours of each day and the seven days of each week: no overtime payments, penalties or payments for working unsociable hours are payable to workers who have as their only protection the fair pay and conditions standard. The bill does not set minimum or maximum hours of work, except for the requirement of the 38-hour week averaged over 12 months (or one month, if an amendment is accepted).

This means that the bill fails to protect a minimum period of daily rest. In the 25 European Union countries, it is a legal requirement that workers have at least 11 hours' rest each working day. Many countries go further and legally limit the ordinary hours of the working day to eight or 10. Most EU countries also designate a minimum of one day a week for rest — a legal right not provided by the bill.

Night work is recognised in virtually every country in the world as a potential health risk and a problem for workers with family responsibilities, especially if it is not voluntary. In the EU states, night workers with children under 12 have a right to request a transfer to day work. Young people's work at night is regulated in most countries (including Indonesia and the Philippines), many of which prohibit such work except in certain carefully identified and supervised circumstances. WorkChoices permits the deployment of workers of any age at any hour of the day or night, without any accompanying protection.

Even China mandates the humanising of work by providing for penalty rates for overtime of 50 per cent more than the basic wage on weekdays, 100 per cent for overtime performed on rest days, and 200 per cent for overtime performed on public holidays.

A more fundamental problem is the lack of certainty and voice for workers under WorkChoices, because the bill apparently seeks to divorce working conditions from regulation by the Australian Industrial Relations Commission, its awards and from the processes of collective bargaining.

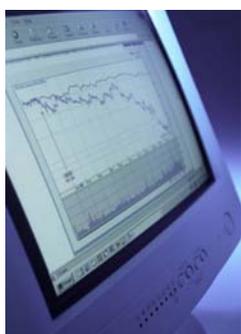
Most countries have working-time laws that protect workers and are flexible enough to meet industry needs. I am not sure what the reason is for the destruction of just such a system in Australia, and its replacement with such clearly inadequate conditions.

Dr Jill Murray, law school, La Trobe University

2. Impacts on family relationships and the worker's capacity to meet family responsibilities.

Job conditions which may appear to affect only the individual worker spill over to inter-personal relationships and the quality of family life.

1. Lower wages and pressure to trade off other work conditions for extra pay are the first and most obvious factors likely to affect an individual employee's ability to meet his/her family responsibilities



The proposed minimum pay system will no longer protect wage rates based on skill levels, overtime pay, weekend or night work rates, redundancy pay, or casual pay loadings. In addition, workers' families will no longer be able to rely on receiving an annual leave loading, long service leave, compassionate leave or redundancy pay-outs – all these will be subject to individual worker-employer negotiations.

If the new Fair Pay Commission fails to include family responsibilities - such as a dependent spouse, dependent children, dependent older parents, income support to a disabled sibling, rent paid to parents while a young person remains living at home – the system will move further towards an individualistic, one-wage-for-one person approach which ignores overall family needs. In turn, this will drive an increased reliance on government benefits and transfer payments, a direction opposite to that which business demands viz.: less reliance on government, less taxation, less 'welfare dependency'. The IR legislation is silent on the interaction between income, taxation and welfare support, with scant reference to a 'safety net'.

The need to renegotiate existing paid parental leave arrangements once current Awards expire, plus the increased likelihood of unpredictable work hours (consequent on the provisions regarding 'ordinary working hours') mean child care arrangements are threatened.

Work impacts on parenting:

- *Job-related factors, such as unsuitable shifts or hours of work, work intensity, and long hours cause stress and consequent withdrawal from interaction with children, anger and even violence, and over-the-top disciplining of children. (Repetti, 1994)*
- *Long hours negatively affect parenting styles, which in turn affect child behaviour and their social and academic competencies (Stewart & Barling, 1996)*
- *Long work hours and role overload combine to reduce the quality of fathers' relationships with adolescent children (Crouter, Bumpass, Head & McHale, 2001)*

Numerous studies show that unsociable hours, shift work and night work can influence decisions to have or not to have children (critical in a nation worried about its fertility rate and consequent ageing of the population), fetal loss in women, increased conjugal tension and reduced family satisfaction (Grosswald, 2003). Such work conditions also make access to regular child care arrangements more difficult because work times are less predictable (Le Bihan & Martin, 2004).

2. Likely impact on marital relationships



Unsociable work hours also result in twice as many marriage separations (Marcil-Gratton & Lebourdais, 2000, cited in Le Bihan & Martin, 2004; Rochette, 2003; White & Keith, 1990; Jekielek, 2003), particularly in dual earner couples. Given that dual earner couples now comprise 40 per cent of our current workforce, and that 46 per cent of current marriages are already expected to end in divorce (de Vaus, 2004), lower levels of couple satisfaction due to unsympathetic work arrangements is cause for concern. Divorce has a marked impact on family incomes, especially for sole mothers; child support payments are tied to wages and often collected in the workplace itself, so workplace relations need to be responsive to the needs of divorced parents, not unsympathetic.

The IR legislation seems likely to undermine other initiatives of the Government, such as to encourage counseling and conciliation as a greater deterrent to divorce and to encourage a greater share of parenting responsibility on the part of men.

Research shows that US productivity loses \$6.8 billion per annum to absenteeism because of relationship stress. Yet we know supportive and happy intimate relationships can reduce stress, improve life expectancy and act as a buffer against negative workplace stress. This is true particularly for senior managers, 40% of whom say they go home stressed, 42% of whom say it has a negative effect on their marriage relationship (80% of their partners agree), and 48% of whom say work has a negative effect on family life as a whole. So why implement a workplace relations regime that increases the likelihood of job pressure, uncertainty, irregularity, stress and conflict between work and family life?

3. Likely negative impacts on children.

Already, a quarter of Australian children are not living with both parents by age 15. Of all couples with a child under 93.1% of fathers are employed, 64.5% of mothers. In lone parent households, 72.6% of men with prime responsibility for children are employed, and 53.8% of lone mothers. Such parents need particular support from their work arrangements and sympathetic, not hostile, management responses to their needs.



Australian of the Year for 2004, Professor Fiona Stanley, and others express grave concern about the negative impact workplace factors have on Australian children (Stanley, Richardson & Prior, 2005). They point to the contrast between rising average levels of affluence and increased inequality in pay, inequality in family incomes (even where both parents work) and the damaging effects on children of poverty. Beyond that, they argue convincingly that (despite the use of part-time work by mothers to help ‘balance’ work and family), overwork, parent absence (particularly fathers) from the home, the uncertainty of ‘contingent’ work, result in family tension and conflict, less time for and less adequate parenting, poorer diets for children. All these are linked, alarmingly, to rising prematurity and low birth weight, more children overweight and obese, with consequent diabetes, asthma, and heart problems, rising levels of child neglect and abuse, and numerous psychological and psychosocial problems such as depression, youth suicide, substance abuse and anti-social behaviour. If the proposed IR system adds to uncertainty of time parents can be at



home with children, an increase in unsociable (i.e. anti-family) hours of work, more stress and conflict between the competing demands of employers and workers' family responsibilities, these negative outcomes for children will increase. They are a significant element in what should be a

systematic monitoring of the childhood/family relationships impacts that follow implementation of the IR changes.

Caring responsibilities include more than child care of course, but access to affordable and convenient child care remains an ongoing worry for many working parents. Many women reduce working hours or leave the workforce because of child care difficulties, and despite government increases in funding child care places, private child care costs are rising. A proposed 30% increase to the child care rebate by 2005-6 will certainly help, but it will not increase the supply of places.

A workplace relations system based on individual workplace agreements is unlikely to bring about changes in access to child care. A collective agreement covering the entire staff may have the potential to argue for work-based child care, but why would a company agree to this without major trade-offs in wage levels or other conditions – trade-offs which would damage children and family life in other ways?

4. Particular negative effects on women



Concern over the particular impact of the IR changes on women has been expressed. Under Section 116B of the legislation, matters to be made non-allowable include “transfers from one type of employment to another type of employment”. This is clearly aimed at casual-to-permanent conversion clauses (first won in the metal industry test case) but could also catch provisions on women

seeking to transfer from full-time to part-time work after returning from maternity leave.

New rights for parents created in 2005	WorkChoices
Two years parental leave	One year parental leave
Both parents can share parental leave for EIGHT weeks	Both parents can share parental leave for one week
Part-time work on return from parental leave to care for children	No rights for workers to part-time work



The full bench of the AIRC, in its family leave test case decision early in 2005, arbitrated a new provision giving employees a right to request a return to work on a part-time basis after parental leave until a child reaches school age. This may now be under threat. Indeed, the proposed new Fair Pay and Conditions Standard does not contain any of the new rights created by the AIRC, so in future employers may unreasonably refuse parents' rights at work with impunity.

Time traveling to and from work is often overlooked in comments about long working hours. A recent study conducted in Australia for Microsoft found parents spend more time traveling to and from work than they spend in interaction with their children. In Sydney it is an average of 4 hours 43 minutes traveling; in Melbourne an average of 4 hours 22 minutes a week. Some 30% of Melbourne fathers notched up a weekly commuting time of 7 hours and 53 minutes, the equivalent of another full day's work. In contrast, they spent just 3 hours and 44 minutes a week playing with their children or helping with their homework. Most of these heavy commuters were professionals, tradesmen, managers and administrators. Such Dads are unlikely to be acting as a "double engine behind the child's potentiality".



As Russell & Bowman put it (2000), referring to a huge US study by Amato & Booth: *"When children were younger their achievement was associated with fathers' income and not with fathers' involvement in child rearing. When children reached adolescence, fathers had the most influence on achievement through provision of help and emotional support. Overall marital harmony and quality was a key variable in children's achievement, along with income of father (but not of mother) and parents' educational level. The authors conclude that while fathers do not exercise important direct effects on children's socioeconomic success, they have important indirect influence through the quality of the marital relationship."*

So, the father's 'absence' from the marriage (whether that be in physical time and space, or in emotional distance) exercises an indirect but important effect on the children and their social and emotional development.

Recent British research (Adrienne Burgess, 2004) shows also that a key predictor of a man's health is worries about his relationship with his children. And the less satisfied people are in their marriages (both men and women) the more likely they are to find their jobs unsatisfying, and therefore to move on. Patricia Hewitt argues that involved fatherhood reduces the mother's work-family stress considerably, and enables them to take on greater work responsibilities. Family breakdown and its associated effects costs employers a fortune, and a major predictor of family breakdown is a woman's feeling that her partner is not doing his fair share at home. In parallel, high father involvement (with children and household chores) is associated with both the stability and the quality of couple relationships.



In summary, having a workplace that allows both men and women to meet their family responsibilities (first to their partners, then to their children and, later on, to their ageing parents) is crucial to

1. the stability of marital relationships
2. the life satisfaction of individuals
3. the quality of child development outcomes
4. the performance and productivity of employees.

Yet, in the proposed IR legislation, the emphasis is on paid work, not on caring work. There is little recognition of the close interaction effects between work conditions, family wellbeing, child development, satisfaction, job performance and therefore productivity. It is as though any job, at any hours, will result in productivity and growth. I do not believe there is any evidence for that proposition.

3. Impacts on the wider community in which families live and the ability of workers to meet their social obligations and enjoy life as a community member.

It is the responsibility of government to consider the wider social impacts of changes in the workplace, not only a responsibility to promote economic growth, important though that may be. A sound economy does not in itself guarantee access to jobs and adequate family incomes, nor does income guarantee individual and social wellbeing; rather, sound relationships (both family and community) are essential to wellbeing and to sustaining the national economy. (Eckersley, 2004)

The proposed shift to individual workplace agreements (as opposed to fixed awards applying to all employees) will pit individual workers against one another, both their colleagues in the place of work, and outsiders applying for jobs. In particular, it is likely to pit older workers against the young, with older employees anxiously wanting to retain their jobs, and with few alternatives, perhaps willing to bargain away pay and holidays in favor of working hours more suited to their family responsibilities and energy levels.

The benchmark of five minimum standards leaves others now included in the ‘no disadvantage test’ unprotected and to be bargained away for higher pay or other conditions. The thrust of the legislation favours competitive pay against socially valuable conditions that preserve the cohesiveness of both workplace and the wider community.

The threat to family weekends, holidays, leave arrangements and family-appropriate hours of work suggest ‘family time’ and ‘community time’ - both essential elements of citizenship in a democratic society – are undermined. As Pocock (2003) puts it, fragmented hours spell the end of common time, a new crisis in the ‘work-life collision’.

1. Negative impacts on voluntarism and building social capital

Voluntary work in the community - in sports, churches, charities, hobbies, supporting school committees and other clubs – is reliant on time availability and predictability. But voluntary work is of wider significance than just those organizations that directly benefit.

“Most employees working long hours describe giving up hobbies, sport and voluntary work because of lack of time, because they come home from work exhausted, or because they cannot predict when they will be available...voluntary work in social clubs, charities and organizations like the army reserve is also constrained for those working long hours and their partners, many of whom describe a ‘closing in’ of their social circle and community: a work/eat/sleep cycle which constrains their days and leaves their personal community impoverished.” – Pocock, 2003:56

Research has shown how important are the informal networks and voluntary associations built up in regions and communities to economic growth and productivity (Putnam, 1993; Edgar, 2001). Social capital is as important as human capital and financial capital. Yet the proposed IR changes threaten the very basis of social capital.

Social capital both arises out of and helps build a sense of social trust, the norm of reciprocity on which social exchange is based. Without trust, cooperation is impossible; without cooperation, society-building cannot happen – the freeloaders and Machiavellis take it all. Within the family or clan, trust relationships and networks are strong. Within a voluntary group, the ties may be weak or temporary, but they are based on trust and reciprocity, a sense of working together for common benefit. Social capital is, therefore, a resource to collective action, and nations that divide into warring ethnic groups, or communities that exclude those different from themselves, deny themselves optimum access to development, seeing survival as depending solely on the limited social trust and networks of their own in-group...Building social capital must become a central goal of governments at every level. The outcomes would be a more civil society, where tolerance, mutual respect and meaningful relationships prevent social disintegration in the form of family breakdown, delinquency, crime, interest-group conflict and ethnic violence, and where business can thrive. Clearly, it is a goal worth striving for. Without a civil society, we have either the law of the jungle or totalitarian state control, both based on fear, distrust and deceit, both yielding highest gains to those with power – physical, economic or educational.”

-Don Edgar, ‘The Patchwork Nation: Rethinking government, Rebuilding community’, HarperCollins, 2001, p. 101-2

My main concern about the proposed industrial relations regime is that it will pit worker against worker, family against family, region against region, rather than seeing how closely and positively connected are the three elements of a good society – healthy families, healthy workplaces and healthy communities.

2. Regional disparities will be exacerbated



Clearly, family impacts resulting from changes to Australia's system of industrial relations will vary according to location. Agricultural workers and the regional cities and small rural towns that support them have very different family needs from those employed in a major urban centre. They also have less access to support services that might help them meet their family

responsibilities. As well, their employers are now more likely to be large overseas corporations that run huge agriculture, cattle, poultry and milk industries – a formidable 'partner' in a supposedly equal negotiating position. Even within our major cities, job opportunities and access to family support services is unequally distributed between the global arc of wealthy suburbs and the outer suburban, low income suburbs where families are disenfranchised from the skills and employment game.

As can be seen from the table, access to manufacturing jobs agriculture and mining vary enormously, making the life chances of families reliant on them very unequal when it comes to 'flexibility' and 'choice'.

Employment for Industry Sectors by Remoteness Class, 2001						
Industry/Sector	Major Cities	Inner Regional	Outer Regional	Remote	Very Remote	Australia
Agric/Mining	1%	8%	19%	31%	27%	5%
Manufacturing	13%	12%	9%	5%	3%	12%
Infrastructure	14%	14%	13%	12%	10%	14%
Govt/Defence	4%	4%	5%	5%	20%	5%
Health/Education	17%	19%	16%	14%	14%	17%
Private Services	50%	43%	38%	32%	26%	47%

Dept. of Transport & Regional Services, Bureau of Transport & Regional Economics, 'About Australia's Regions', August 2005, Table 13



Locational disadvantage has been well documented and the ‘place-based nature of poverty’ must be kept in mind if we are to evaluate the impacts of changes that will make jobs and incomes less secure, and the availability of other job options a realistic ‘choice’. The relative size in any region of the indigenous population, the number of households reliant on social security payments, the range of industries operating in a particular region, mobility in and out of a region (especially of the young and the aged) and the availability of infrastructural services such as transport, child care, education and training, all alter the meaning of ‘flexibility’ and ‘choice’. Choice is never simply decided by an individual – it arises from the opportunities and structures available within and outside the family’s geographical and cultural context.

Small townships have the highest proportions of part-time employed women (54.3% cf. 46.5% in major urban cities) and highest rates of female unemployment occur in medium townships (8.2%) and small rural towns (7.8%). A quarter of employed women aged 15-64 years in major urban areas have a university degree, compared with around 17% for medium townships and rural areas and just 15.7% in small towns. Job ‘choices’ are thus very uneven across Australia’s patchwork nation.

As the following table shows, participation and unemployment rates, and those in part-time work versus self-employed vary dramatically by location. Access to alternate jobs is particularly hard for women in rural and remote areas where child care is scarce, transport costly and husbands likely to be locked in to retaining jobs in the one available industry. Young people move out to find both training and employment, older low income families move in to find cheaper living, both trends further driving down the region’s economic viability.

Labour market, by State/Territory, 2001 and 2004

Industry/Sector	Major Cities	Inner Regions	Outer Regions	Remote	Very Remote	Australia
2004						
Employment ('000)	6948.9	1991.6	1035.9	276.6	-	10244.0
Unemployment ('000)	368.7	123.2	60.3	14.6	-	566.9
2001						
Employment Persons ('000)	5652.9	1562.4	807.8	141.3	67.5	8298.6
P/T Employed	31.8%	35.3%	32.1%	27.9%	33.3%	32.4%
Self-Employed	14.9%	20.4%	24.0%	25.1%	16.4%	17.0%
Unemployed Persons	424.5	143.3	69.2	8.8	3.5	660.7
Rate - Male	7.5%	9.1%	8.6%	6.4%	5.0%	8.0%
- Female	6.3%	7.6%	7.0%	5.2%	4.6%	6.6%
Labour Force Participation Rate						
- Male	72%	68%	71%	77%	72%	71%
- Female	56%	52%	54%	61%	56%	55%

Dept. of Transport & Regional Services, Bureau of Transport & Regional Economics, 'About Australia's Regions', August 2005, Table 12

Submissions to the Senate Committee (*"A hand up not a hand out"*, 2003-4) show how dramatically the drought, withdrawal of local support services (both government and commercial) and lack of alternative employment opportunities have affected rural and regional families. Such communities face increasing levels of financial hardship, stress, family breakdown, domestic violence, suicide, substance abuse and crime as a result. Single sector employment and movement of job opportunities away from some regions makes for a very 'patchwork' picture of rural and regional Australia. For example, above average levels of unemployment characterize coastal NSW and south-east Queensland, and mining areas in WA have a higher proportion of people with tertiary qualifications (and thus other employment options) than many areas of Western Victoria, SA and the Northern Territory. Profits from industries are often not invested in local communities and there are few alternatives when industries close down in rural areas.

Yet the proposed IR legislation says nothing about these regional and community inequalities, assuming that individual workplace bargaining will take place on a level playing field across Australia and any employee will have the choice to accept the new (or future imposed) conditions or else 'take another job'.

Conclusion

In my view, the proposed legislation breaks the nexus between family needs and appropriate wage rates, and potentially undermines the links between decent job conditions and family wellbeing.

It fails to acknowledge the fact that unpaid caring work, healthy family relationships and time to fulfil other community responsibilities are the keys to a thriving economy. The Government's rationale for changes to industrial relations perpetuates the myth that work life and family life are opposed rather than complementary. Such changes miss a timely opportunity to put in place an Australian system of workplace relations that could have made the nation an 'employer of choice' in the global marketplace, its workers more satisfied, committed and productive because of a recognition of their caring responsibilities as family members and as citizens in a cohesive society.



The government's mantra of 'choice' and 'flexibility' ignores the reality that many families and workers have little real choice because of their family caring responsibilities, their lack of skills, and their lack of bargaining power in comparison with employers. There is no guarantee built in to this legislation of worker choice and flexibility to decide the work conditions most appropriate to their family caring responsibilities; instead everything depends on negotiation with those who have the power to say 'No'. Flexibility needs to be 'appropriate flexibility', appropriate that is, to both the needs of the workplace and the family responsibilities of employees.²

These proposed IR changes are a recipe for a more savage workplace, a less caring society, an individualistic, competitive auction room with no collective spirit.

² Submission to the Senate Enquiry into the Workplace Relations Amendment by Kristy LeMilliere on Skills based Awards.

Unions NSW Response to the Family Impact Statement:

Dr. Edgar's assessment of the Government's WorkChoices legislation confirms many of the doubts the trade union movement has expressed about its likely impacts on Australian workers and their families. In summary, we argue that the legislation:

- Potentially threatens the pay and working conditions of all Australian families that are now embedded in awards and other agreements, by leaving them open to negotiation or unilateral withdrawal once they expire.
- *Ignores what is known about the needs of workers juggling work and family responsibilities and assumes 'choice' and 'flexibility' will be sufficient to change workplace cultures that are not currently 'family-friendly'*
- Runs counter to what is known about best practice in human resource management, using 'negotiation' as a pseudonym for conflict, undermining current initiatives to build a 'family-friendly' workplace culture in Australian workplaces.
- *Threatens family incomes by removing the safety net provisions and making it possible to remove (by negotiation, or by employer fiat once a current award expires) penalty rates, loadings for overtime or shift work, incentive-based payments and bonuses.*
- Promises low paid jobs as an alternative to reliance on welfare, without considering the changes needed to ensure that tax thresholds and welfare transfer payments do not create poverty traps for low income families.
- *Undercuts family time by setting no upper limit, or standard pay rates, on hours of work beyond the so-called 'maximum ordinary hours' (38 hours) covered in the new minimum standards.*

- Undermines family security by placing under threat work conditions on which family arrangements (child care, holidays, parenting time, etc.) are planned and managed. Insecurity and the inability to manage the ‘work-family balance’ are major causes of stress and poor job performance, now likely to increase in every workplace.
- *Reduces the ability of working parents to spend adequate time with their children, at hours suitable to their individual family needs, thus diminishing their capacity as parents of the next generation and making more difficult the proper socialization of their children.*
- Potentially damages the health (mental and physical) of family members and the viability of the family as a social unit by allowing two weeks of annual leave, public holidays, weekends, parental and carers’ leave to be negotiated away for higher pay.
- *Fails to guarantee current conditions that allow women with children to participate in the workforce – such as paid maternity leave and the right to return to a part-time position after taking maternity leave.*
- Offers no protection for casual workers (many of whom are women with caring responsibilities)
- *Places family members who lack negotiation skills and power in a position of weakness when an employer demands the trading off of current award conditions. Their ‘choice’ is between having a job of any kind versus caring for their family in ways that meet their needs.*

Preferred IR Framework

We conclude with a set of basic assumptions about workplace relations and urge that the Government, and all federal members of parliament, give them due consideration before voting on a set of changes which will have profound effects on Australian families and communities.

- 1. Paid work is integral to, not separate from, the wellbeing of families and the quality of community life. Every worker has simultaneous responsibilities and obligations: (i) to their employer and fellow workers (ii) to their own family members (iii) to the wider community and Australian society.**
- 2. The labor market is not the same as the commodities market; industrial relations law is not the same as commercial law. An IR framework must consider the wellbeing of workers and their families, not just efficiency, minimal wages and productivity growth.**
- 3. Government has a responsibility to frame an industrial relations system within which every individual worker can fulfil their family and community responsibilities as well as their responsibilities to a business or employer. The needs of employers (or an abstract ‘economy’) cannot be put ahead of the citizen’s other human obligations.**
- 4. Family work (caring, protecting, educating) and community work (volunteering, neighbouring, supporting others) are vital to the national economy and culture. Without them, business could not operate efficiently, the nation could not thrive.**
- 5. Any degradation of working conditions will potentially harm the quality of family life and the nation’s social cohesion. Excessive laissez-faire degrades the civil society, while inequality breeds division, culture and identity dissolve into arbitrary choices and private calculations of utility, alienation and nihilism endanger the reproduction of society itself.**
- 6. Flexibility is not the same as ‘suitability’ to varying business and family needs and circumstances; nor does economic efficiency as a goal preclude fairness and protection of the vulnerable.**
- 7. Industrial relations provisions have potential impacts on (i) the experience of work itself and the quality of individual life (ii) family relationships and the**

ability of workers to meet family responsibilities (iii) community interactions and obligations. All three types should be anticipated and monitored.

This Family Impact Statement suggests there is room for doubt about the likely impacts of the proposed Industrial Relations legislation on all three areas. While the stated goal of flexible working arrangements to help workers meet their widely varied family responsibilities and circumstances is to be applauded, we do not think a system reliant on unequal bargaining between workers and employers is the best way to achieve that goal. We would prefer to see in-built guarantees that all workers have the right to meet their family obligations and that workplace structures and processes be designed round that basic right.

Dr. Don Edgar is a respected academic researcher and policy analyst. He was the foundation Director (for 14 years) of the Australian Institute of Family Studies, a federal statutory authority set up under the Family Law Act to examine factors affecting family life in Australia. The Institute's independent research informed both policy-makers and the wider Australian public on the full range of matters affecting the quality of family life. He is regarded as Australia's leading expert on the 'work-family balance' and now acts as a policy adviser to both business and governments Australia-wide. He is not a member of any political party or trade union.

His career includes senior positions at the University of Chicago, Monash University and La Trobe University. Dr. Edgar is the author of several books, including 'Men, Marriage, Mateship', (HarperCollins, 1997), 'The Patchwork Nation: Re-thinking government, Re-building community', (HarperCollins, 2001) and 'The War Over Work: the future of work and family' (Melbourne University Press, 2005) Dr. Edgar is a member of the Victorian Children's Council, guiding policy in children's services and community engagement.

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