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Parental Leave, Working Arrangements and Child Care Arrangements for Parents of Very Young Children

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Abstract

For women the birth of a child is usually associated with withdrawal from the labour force with consequent loss of income and the break in the continuity of work experience. The extent of these losses can be ameliorated by transition arrangements that assist women to re-enter the labour force. Maternity, paternity and parental leave provisions are such arrangements. However relative to European entitlements, Australia's provisions are modest, parsimonious and inflexible. New innovations in working arrangements such as job sharing and working at home are now being advanced in Australia, as a means to assist labour force attachment and provide care for children though the extent to which these arrangements are compatible with the care needs of the very young is doubtful. The childcare arrangements used by families with working parents are also reviewed as a complement to working arrangements.

1. Introduction

A sizeable literature has addressed the question of defining and achieving gender equity in terms of labour market outcomes, occupational mix and wages. More recently, there has been an interest in the extent to which adjustments to working arrangements can facilitate combinations of work and family responsibilities. This paper examines the contribution that adjustments to working arrangements and childcare policies make to parents, and particularly mothers (Bittman, 1999), of children aged less than 3 years old. This age range is chosen since historically the birth of a child has been associated with a break in the continuity of maternal labour force participation and research has linked job discontinuities to reductions in earnings and occupational prestige (Felmlee, 1995; Dex and Joshi, 1999). One factor that appears to be important in narrowing the gender wage gap is job tenure with a specific employer in a continuous period of employment (Joshi, et.al., 1999; Waldfogel, 1997).

In section 2 the paper provides a descriptive outline of maternal labour force participation in Australia and childcare arrangements associated with employment status; section 3 evaluates the Australian provisions for maternity, paternity and parental leave against European standards; section 4 outlines the extent to which working arrangements have made a contribution to organising work and family roles; section 5 examines the use of

formal childcare services by children aged under 5; and in section 6 conclusions are presented.

2. Patterns in maternal labour force participation and childcare arrangements in Australia

Between January, 1998 and January, 2001 the labour force participation of women in couple families with children aged less than 15 years rose from 56 per cent to 59 per cent. For lone parent families headed by a female the corresponding figures were 45 and 49 per cent (Australian Bureau of Statistics [ABS], 1998, 2001). However the labour force participation rate and the full-time employment share are sensitive to the ages of the children. This is evident in Table 1 where for both mothers in couple families and in one parent families there is a consistent rise in participation rate and share of full-time employment as the youngest child grows older. The consequences of having a youngest child aged 0-4 years is a participation rate of about 50 per cent or less and a part-time employment share of over fifty per cent.

Table 1 Labour force outcomes of mother (%) by family type and age of youngest dependant, 2000

Family type	Age of youngest dependant		
	0-4 years	5-9 years	10-14 years
Couple families			
Labour Force Participation Rate	51.4	71.3	75.8
Full-time employment share of labour force	31.2	36.3	48.4
Part-time employment share of labour force	62.1	57.2	48.4
Female head of one parent family			
Labour Force Participation Rate	36.9	60.6	67.4
Full-time employment share of labour force	24.3	36.7	46.6
Part-time employment share of labour force	53.0	49.6	44.9

Source: ABS (2000) *Labour Force Status: Families*, Cat. No. 6224.0

The labour force participation rate is also sensitive to the number of young children in the family. For instance, in couple families where older children could be present, the maternal participation rate for one child aged 0-4 years is 55.3 per cent but where two or more children aged 0-4 are present the participation rate drops to 42.3 per cent (ABS, 2000).

Turning to childcare arrangements, it is possible to classify each child aged less than 12 years into one of six family categories and one of four childcare categories. These categories are presented in Table 2.

Table 2 Definitions: Labour force status of parents and type of care for children less than 12 years

Labour force status of parents	Childcare arrangements
both parents employed working full time (a)	Formal care only: Child does not use any informal care (b)
both parents employed, at least one working part-time (a)	Informal care only: Child does not use any formal care (c)
both parents in LF, at least one unemployed (a)	Mixed care: Child has some mix of formal and informal care (d)
one parent employed, other not in the labour force	Parental care only: Child is cared for by parents and does not use any formal or informal care.
one parent unemployed, other not in the labour force	
both parents not in the labour force (a)	

(a) Includes one-parent families.

(b) Formal care services include before and after school care; long day care; family day care; preschools; occasional care; and other formal care. It is centre based, requires fee paying and often attracts government subsidies.

(c) Informal care comprises care by grandparents, other siblings, other relatives or other persons. The numerically strongest component is care by grandparents. By and large this care does not carry a fee. It is inviting, though not strictly accurate to combine parental care with informal care only to arrive at extended family care.

(d) Mixed care refers to combinations of formal and informal care.

The four childcare categories in Table 2 are mutually exclusive and sum to account for all children in the relevant population. The ABS also reports 'Some formal care' and 'some informal care' which in the case of some formal care constitutes formal care only plus mixed care. The some formal/informal categories recognise that children may use multiple services and hence be double counted.

Source: ABS (various) *Child Care*, Australia, Cat. No. 4402.0

The *Child Care* surveys over the years 1993, 1996 and 1999 indicate that children in families with one parent employed and the other not in the labour force had been the largest but declining subgroup, accounting for 31% of all children under 12 in 1999. Children in families where both parents were employed with at least one working part time represented a large and rising proportion of all families accounting for 32% in 1999 and children in families where both parents worked full time was a moderate but rising sub group with 16% in 1999.

All family types rely heavily on extended family care (parents and informal care only) although less so for families with both parents in the labour force. For instance, in 1999, sixty six per cent of families with children under 12 where both parents worked full-time relied on extended family care only compared to 82 per cent of families with one parent employed and the other not in the labour force. By contrast formal care (either alone or in conjunction with some informal care) represented a greater proportion of childcare arrangements for families with both parents in the labour force. Again in 1999, thirty four per cent of families where both parents worked full-time used some formal care in contrast to 17 per cent of families with one parent employed and the other not in the labour force.

Of course families using any of the types of childcare outlined above may complement these with compatible working arrangements. For the sake of convenience, this paper will analyse the choices facing parents by looking at the use of working arrangements and childcare arrangements independently. As we shall see little can be deduced about whether working arrangements facilitate the use of formal care or vice versa. The incidence of 'some formal care' indicates that many families use multiple care providers to meet the care needs of each child. Furthermore, families with a number of children may face a patchwork of arrangements that vary according to the ages of the children. This may impose its own burden in co-ordination and organisation that is ignored here.

3. Combining work and family: Maternity, paternity and parental leave

Paid maternity leave might be viewed as having both short term and long term objectives. The immediate objective protects the health and welfare of mother and infant by asserting the right to return to the previous employment position, free from economic and employer pressures to return prematurely. In the longer term, it may reduce the gender wage gap by encouraging return to work and protecting potential income earning capacity. These benefits are conditional on returning to employment within the time horizon of the leave policy. Women who withdraw from the labour force for a longer period are not offered assistance to secure transition from domestic functions to market-based work. Furthermore, the benefits that maternity leave offers are predicated on the employment position of the woman prior to childbirth. Paid parental leave has the immediate aim of assisting with childcare and ultimately aims to redistribute the burden of caring for young children across both parents. Success against these parameters depends on the rate at

which the leave is paid and the flexibility with which the leave can be accessed. Unpaid leave means that parents face an economic cost to exercising their entitlements that may reduce the willingness to take up the provision, especially amongst fathers.

There may also be disparity between policy objectives and family preferences. Policies aimed at full time maternal return to employment may founder if maternal preferences favour less than full time commitment. This produces something of a quandary. A paternalistic view would recognise that materially the woman and family will be advantaged by early return to employment. On the other hand, giving priority to preferences may be a recipe for preserving the status quo and ignoring the possibility that preferences may be preconditioned by past experiences of what was possible rather than preferences for ideal outcomes. Survey evidence suggests that preferences are also sensitive to the population from whom the preferences are garnered (Eurobarometer 44-3, 1996). Nevertheless, a sizable group of women express a preference for returning to part time employment after birth (Glezer, 1988). Thus ideally maternity, paternity and parental leave needs to sustain the right of parents to return to employment over some reasonably long period of time; offer the right to return part time if the parents so choose and provide access to affordable, quality childcare while the child is under 3 should the families wish to use it.

In Australia there is no over-arching legislated entitlement to maternity, paternity or parental leave. Instead, the entitlements are subject to the appropriate state or federal employment legislation and any specific provisions included in awards or agreements. Furthermore, the drafting of the paternity and parental leave provisions reflects their genesis in the Maternity Leave Test case of 1979. This test case provided unpaid leave of 52 weeks to birthing mothers who were in full-time or permanent part-time employment and who had been in the service of the same employer for a continuous period of 12 months. The 1990 Parental Leave Test case effectively re-labelled the 52 weeks provision to make it accessible to adoptive parents, fathers or male care providers and mothers. It achieved this by altering the claims over the 52 weeks. Male partners became eligible for one week of unpaid leave that could be taken concurrently with maternity leave (three weeks in the case of adoption placement). This is known as short paternity (or short adoption leave). The remaining 51 weeks can be taken by either parent or care provider

(known as long paternity or adoption leave when taken by the male partner). However, the whole of the leave taken by both parents cannot exceed 52 weeks and the leave conditions may impose a compulsory absence on the mother. As a result, the Australian provisions blur the distinction between the objectives of maternity leave (related to birth or arrival of new infant) and parental leave (related to child care). This can be most clearly demonstrated by critiquing the Australian provisions against the European standards.

In Europe, maternity leave and parental leave are the subject of two separate directives - the Pregnant Workers Directive (92/85/EEC), 1992 and the Parental Leave Directive (96/34/EEC), 1996. Perhaps the least understood of these directives from an Australian perspective is that dealing with parental leave. It confers on men and women an individual right to at least 3 months parental leave for childcare purposes after birth or adoption up to age 8 years. It protects workers from dismissal on these grounds, grants the right to return to the same or equivalent job and maintains previously acquired rights (EIRO, 1998). It gives the right to time off for urgent family reasons in cases of sickness/accident (This last aspect is akin to Australia's family leave provisions and are not discussed here).

We can compare and contrast the Australian and European provisions against a number of dimensions. First, generally member nations in Europe do not impose eligibility conditions on maternity leave or parental leave. There may be conditions attached to the payment of benefits, though in the case of maternity leave these are not necessarily employment related and even if so would generally require less than 12 months service eg Finland requires women to be registered for social insurance and resident for at least 180 days; the Netherlands requires the woman to be an insured worker. On the other hand, access to paid parental leave is often associated with an employment requirement eg 12 months in the case of Belgium and France and 180 days with the same employer in Sweden (New Ways to Work, 1998). Australia requires 12 months continuous service with the same employer to be eligible for any unpaid maternity or parental leave.

Second, there are differences in the duration of the leave and its payment. The European directives call for a minimum of 14 weeks maternity leave and payment of a maternity allowance at least equal to statutory sick pay and at least three months parental leave that may be paid or unpaid. Thus there is a minimum individual standard to the mother of 27 weeks. However many nations exceed the minimum standard. In the UK, Belgium,

Netherlands and Ireland the statutory entitlement to maternity leave and parental leave is close to the minimum (Commission of European Communities, 1999; New Ways to Work, 1998) but in Austria, Denmark, France, Germany and Sweden combinations of maternity/parental leave exceed a year and extend up to 3 years in Germany and France. In many instances, these statutory benefits are extended via collective agreements (euro, 1998). Australia's standard duration of 52 weeks leave in total to the family therefore exceeds the minimum required duration of the directives but it is all unpaid.

In Europe there are wide differences in the formulas invoked to determine maternity pay and paid parental leave. In many cases the maternity payment is earnings related without guaranteeing earnings replacement eg France and Ireland offer varying proportions of earnings subject to a maximum payment. Other nations tie the maternity allowance to a welfare payment eg Luxembourg and Spain. The picture with paid parental leave is more diverse, though nine countries have paid parental leave (LDR, 2000). Finland, Denmark and Sweden set the payment with some reference to earnings; Austria, Belgium and Luxembourg all set the payment to a flat rate and nations like Greece, Ireland, the Netherlands and Portugal provide unpaid leave. In some instances, the period of leave and the period of payment are not the same (New Ways to Work, 1998).

Of course the length of leave and whether or not it is paid are inter-connected. If the leave period is less than desired by parents or parents feel they cannot sustain the financial strain of lost earnings, they may either return to employment under duress or not return to employment on the expiration of the maternity/parental leave. In 1998, the Australian Bureau of Statistics collected information from *current employees* with children under 6 years regarding whether or not they took a break after their youngest child was born. Almost all the fathers reported taking a break with the majority (96.7 per cent) taking leave of less than 6 weeks. For these fathers 82 per cent were on paid leave. Very few fathers ceased work following the birth. On the other hand, 17 per cent of the mothers ceased work after the birth of the youngest child (of those who left work 47 per cent did so for a year or more). A mere 18 per cent of all these women took paid leave only, 41 per cent had unpaid leave only and 23 per cent took combinations of paid and unpaid leave. Where paid leave only was taken the most frequent interval was 6 weeks to less than 3 months. The duration of both unpaid leave and combinations of leave tends to be longer,

with 6 months to less than a year being the most frequent interval taken. The paid leave being taken in these instances was not necessarily parental leave but may have been some other entitlement such as annual leave. It is plausible to argue that paid maternity leave was instrumental in mothers returning to work at 3 months since this corresponds to a frequent paid entitlement in the public service and certain industrial agreements (see below). Likewise the entitlement to 52 weeks leave may have influenced return to work at this stage. Women engaged in low skilled or part-time positions may decide that there is little benefit in maternity leave that is unpaid and therefore not exercise the option, resulting in a longer period of absence from the workforce.

The issue of paid and unpaid leave is current in the UK. In 1999 the right for both parents to take unpaid parental leave of up to 13 weeks to care for children to the age of five was introduced to satisfy obligations under the Parental Leave Directive. Subsequent policy discussion has focussed on various options to further assist parents with work and family responsibilities. The Green paper (2000) argues that women with longer maternity leave entitlements are more likely to return to work. For instance, 72 per cent returned after 28 weeks compared to 50 per cent with entitlement to 18 weeks. Further, 30 per cent of mothers do not exercise their full entitlement to maternity leave because they claim they cannot afford to do so and only 3 per cent of parents had taken up unpaid parental leave (Bargaining Report, 2001). In the Budget of 2001, the UK government announced its intention to extend paid maternity leave to 26 weeks and grant new fathers two weeks of paid paternity leave from 2003 (to be paid at a flat rate) (IRS, 2001).

By contrast, in Australia, access to paid parental leave is limited and depends on negotiated agreements. The 1995 Australian Workplace Industrial Relations Survey (AWIRS) found that paid maternity and paid paternity leave was available to 36 and 16 per cent of employees respectively. The DEWRSB report (1999) determined that 7 per cent or less of certified agreements between the beginning of 1997 and the end of 1998 provided for paid maternity/paternity leave. On the basis of employment weighted agreements, the Australian workplace agreements appeared more generous though provision for paid maternity leave still only registered in 30 per cent of agreements. The duration of paid leave varied. Forty nine per cent of certified agreements offered 2 weeks

paid leave while the most common interval in Australian workplace agreements was 12 weeks.

Third, a major source of difference between Australia and Europe occurs in the timing and flexibility that attaches to the taking of parental leave. Flexibility in this area is important as it allows parents to weave employment around childcare provision, adjust combinations of familial and centre based childcare and share childcare. It leaves parents with discretion over the most appropriate time to access the leave. In these terms, the Australian provision is rigid. It requires that the leave not extend beyond the child's first birthday (or first year after adoption) except where a part-time work agreement with the employer is in place. The 52 weeks is inclusive of any period of paid annual or long service leave that parents may take. Further, unused portions of the leave are not preserved and it must be taken in a continuous sequence. If a caregiver voluntarily returns to work at 26 weeks, he or she cannot revive the unused portion of parental leave at some distant date. Parents are required to flag their intentions regarding long paternity/adoption leave and maternity leave to the employer at the initial application for leave and transition between parents is supposed to be seamless. Any periods of compulsory absence imposed on the birthing mother further constrain the ability of parents to share childcare. In Australia, awards and agreements that follow the Parental Leave Test case are likely to invoke a compulsory absence after birth of 6 weeks and provide the employer with the right to require employees to take 6 weeks leave prior to birth (though there have been recent signs of change in these requirements). In effect this may limit the maximum period of unpaid parental leave to 39 weeks.

However in Europe as already indicated the right to maternity leave (that is often subject to compulsory absences) and parental leave are separate. In most countries, parental leave may follow maternity leave but is not required to do so and in some cases parental leave may be accessed in a number of blocks. So, for example in Finland, earnings related paid parental leave of 26 weeks can be shared between parents and has to be taken in blocks of at least 12 days. Care leave can be taken up to child's age of 3 in blocks of at least one month (paid at flat rate). In Italy, parental leave of 10 months is available for each parent to be taken at any time until child is 8 (dti, 2000, 12-14). The 13 weeks unpaid parental leave in the UK can be taken in blocks of one week or multiples of one week up to a

maximum of 4 weeks a year for a specific child though the prescriptive nature of the terms has drawn criticism from the union movement.

In many European nations, there is a right to access parental leave as reduced working hours. In Belgium and the Netherlands, parents are entitled to reduce hours for six months up to the child's fourth (Belgium) or eighth (Netherlands) birthday. Austria requires employer's consent to work parental leave as reduced hours (dti, 2000). New provisions in Germany give parents 'the right to work part time for between 15 and 30 hours per week, with employers able to reject such requests only if this creates considerable problems for the company. ... The right to work part time during parental leave, however is limited to companies with more than 15 employees, with smaller companies excluded from this provision' (eiro, 2000). The Parental Leave Directive notes that this degree of flexibility may create problems for employers and permits them to delay the leave. In the UK, employers may postpone the taking of leave for up to 6 months. In France, employers with fewer than 100 staff may refuse the application after consultation with workplace employee representatives (LDR, 2000).

For Australia, the parental leave test case opened the possibility of employees lengthening parental leave by accessing it on a part-time basis. With the agreement of the employer, parental leave can be extended up to the child's second birthday by one or both parents working part-time. An employee so engaged is eligible for pro rata entitlements. The employee's right to return to their former position, including full time work, after a period of part-time employment is protected. However, this development was not incorporated into the *Workplace Relations Act, 1996*.

4. Combining work and family: Other working arrangements

In addition to parental leave, it has been suggested that innovative working arrangements such as job sharing, career breaks and working from home may assist parents to combine work and family responsibilities. It is evident in Table 3 that employed mothers of children aged less than 12 years were much more likely than employed fathers to be using work arrangements to assist with childcare. Furthermore, despite the changes in the deregulation of working time and the rhetoric surrounding the notion of family friendly workplaces (DEWRSB, 1999), the proportion of employed mothers using these options

remains relatively stable. The most frequently cited work arrangements used by employed mothers were flexible working hours and permanent part-time work. It does not follow that the negotiated changes to working hours that appear in enterprise bargains necessarily coincide with working hours that would suit employees. Much depends on whether the employee has the right to initiate variation in hours, can exercise input into proposed schedules and the notice requirements to be able to vary hours not being too restrictive. In many instances, flexibility in working hours has been driven by employer imperative rather than a desire to facilitate combinations of work and family responsibilities.

Table 3 Work arrangements used to care for children less than 12 years of age, percentages

Work arrangements	Employed mother			Employed father		
	1993	1996	1999	1993	1996	1999
Flexible working hours	29.8	31.3	36.8	15.6	16.4	18.0
Permanent part-time work	28.2	29.0	33.7	0.7	1.3	1.9
Shiftwork	6.5	6.4	8.5	4.5	5.4	5.3
Work at home	18.7	18.3	15.4	6.6	6.8	7.4
Job sharing	3.0	4.0	3.9	0.6	0.8	0.5
Other	1.5	2.6	3.5	0.8	1.3	1.2
Total families where used work arrangements (a)	68.3	68.7	67.8	24.4	26.1	26.7
Total families where did not use work arrangements	31.7	31.3	32.2	75.6	73.9	73.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

(a) Components do not add to total as parents could use more than one type of work arrangement.

Source: ABS (1999) *Child Care, Australia*, Cat. No. 4402.0

Examples of flexible work arrangements that assist parents with work and family organisation include the ability to vary the start and finish times, ability to make time up later, ability to avoid mandatory overtime, discretion over timing of holidays and ability to avoid weekend work if desired. These flexible work arrangements are not specifically aimed at workers with dependant children (Probert, et. al., 2000). For instance, 35.3 per cent of mothers with children under 12 years had variable start and finish times compared to 32.4 per cent of employed women without children (ABS, 1997). Some care needs to be exercised when interpreting access as it may vary with employment status. For example,

38 per cent of all employees were able to work extra hours in order to take time off. This provision was available to 43 per cent of full-time female employees and 32 per cent of part-time female employees. Of full-time female employees, 44 per cent with permanent status and 36 per cent with casual status could access this provision.

Of the third of women with children who had variable start and finish times, 64.8 per cent of women with children had these times varied daily, hardly conducive to stable arrangements around which to plan work and family. For mothers with fixed start and finish times, 30.4 per cent said that these times were negotiable compared to 22.8 per cent for mothers without children. Relative to mothers without children, mothers with children under 12 years of age were more likely to be able to avoid overtime, and had their roster varied on a daily basis and were less likely to receive rostered days off and work weekdays only. However a major difference between these two sets of women appears in their labour force status. Sixty three per cent of mothers were in part-time employment and 37 per cent were employed as casuals compared to 36 per cent of women without children in part-time employment and 27 per cent employed as casuals. Given the stated preferences for part-time work amongst women with children (Walsh, 1999) it is perhaps alarming that the share of casual employment is so high.

Compared against maternal preference for part-time work when children are young, 18 per cent of certified agreements, 44 per cent of workplace agreements and 81 per cent of large companies reporting voluntarily to the Affirmative Action Agency (AAA) (DEWRSB, 1999) include permanent part-time work provisions. Job-share offers some of the potential of permanent part-time work because, it is argued, it is more likely to allow the employee to tap into promotion and progression patterns and thus promote career development. It may also give employees more control over their working hours if it is structured as a portion of a full-time job (Probert, et.al., 2000). Job-sharing was available in 63 per cent of companies reporting to the AAA, but the provision was almost non-existent elsewhere (2 per cent of certified agreements and 8 per cent of Australian workplace agreements). Home-based work attracts even less attention being mentioned in only 2 per cent of certified agreements and 8 per cent of Australian workplace agreements.

Employer assistance with childcare acknowledges the tension between work and family responsibilities but again these provisions are underrepresented in agreements (Lee and

Strachan, 1999). Thirteen per cent of organisations reporting to the Affirmative Action Agency have some form of employer assistance with childcare. This dropped to 2 per cent and 9 per cent in certified agreements and Australian workplace agreements respectively. This pattern of low employer involvement in the provision of care is evident in ABS (1996). Only 6.6 per cent of employed mothers with a child less than 12 years of age were offered some form of assistance. Of this group nearly a third took advantage of the offer. The most frequently cited forms of assistance offered to either parent were work-based facilities (3.7 per cent) followed by referral/ information services (2.0 per cent). The offers of assistance that were most frequently taken up were employer supported vacation care (31.3 per cent of parents who had this option used it); work based facilities (28.2%); and salary package, which includes fees (25.4%). We can only speculate on reasons for the low up-take, which could include perceptions of cost, convenience, compatibility of child ages with services offered, and parental preference for alternate care arrangements.

Finally a note of caution, Glass and Riley (1998) and Probert et. al. (2000) argue that the social support at the workplace and employment experience itself influence women's choices. Sympathetic supervisors and supportive work mates are important in determining how comfortable pregnant women and new mothers feel about taking up entitlements.

5. Combining work and family: Childcare arrangements

In Australia there are a range of centre based formal care services available that philosophically emphasise different objectives and are differently funded. Kindergartens and pre-schools have historically been seen as offering an educational experience whereas services under the Commonwealth Children's Services Program (long day care, family day care, before and after school care, occasional care and other formal care arrangements) have developed to facilitate workforce participation (Hayes and Press, 2000).

Policy and funding for preschools is the responsibility of State and Territory governments. There is significant variation across jurisdictions in the operation of preschools that affects the fees that might be paid by parents, the hours available to each child and the ages of children covered. Typically, enrolments at preschools and kindergartens are biased towards 4 year olds and to a lesser degree 3 year olds. They generally operate a shorter

span of daily hours and an average child might attend for 10 hours a week. On the other hand, the Commonwealth funded services are subsidised by schemes that effectively reduce the out-of-pocket payment from parents. The fee subsidies are means tested (adjusted for number of children); require a co-payment from parents even at the lowest income levels and are subject to an hours' cap. So for example, a parent may claim, for each eligible child, a maximum of 50 hours of subsidised care a week for work related reasons. Where the care use is not for work related reasons the maximum subsidised hours available is reduced to 20. Long day care and family day care operate a longer span of daily hours and an average child might attend for 20 hours a week. These differences in hours of care and funding arrangements result in a median cost to parents of \$41 per week for long day care compared to \$12 per week for preschools (ABS, 1999).

These differences in service provision, age of access for children and cost, influence parental decisions about work. This can be detected in, Table 4, in the patterns of use associated with age of child and maternal labour force participation. Mothers in full time employment use a high proportion of formal and mixed care (56 per cent) but this share progressively declines so that for mothers not in the labour force it represents only 30 per cent of care types used.

Table 4 Labour force status of mothers by age of child and type of care, %, 1999

	Full-time	Part-time	Unemployed	Not in the labour force
Mothers of children aged 0-4 years				
Formal care only	30	25	21	20
Mixed care	26	29	18	9
Informal care only	27	31	32	22
Parental care only	17	15	28	48

Source: ABS (1999) *Child Care, Australia*, Cat. No. 4402.0

In 1998, the ABS released data pertaining to career experience that permits an insight into maternal labour force participation and childcare arrangements as the youngest child ages. The age ranges chosen were less than 3 years, 3-5 years and 6-12 years. The age of youngest child clearly impacts on use of some formal care (formal care only plus mixed care). By the time the child is aged 6-12 years the employed mother (full-time or part-time) is making minimal use of some formal care. As the child ages from under 3 to

between 3-5 years, the proportion of mothers employed full-time using some formal care rises noticeably from just over 50 per cent to just under 70 per cent. In part this may be a reflection of the greater availability of care services for 3 and 4 year olds and in part a reflection of maternal preferences regarding carer. The proportion of mothers employed part-time using some formal care only rises marginally. This is somewhat counter to the proposition that easier access to preschool care for 3-5 year olds (but especially 4 year olds) would induce significantly greater use of some formal care and hence greater full-time and part-time maternal employment. However, for the mothers not using formal care, the main reason offered was because there was 'no need'. For instance, where the youngest child is under 3 years, 79.8 per cent of full-time employed mothers cited 'no need' as the major reason for not using formal care. This suggests that the mother is satisfied with the non-market care being used and/or working arrangements in place. Cost of care is cited in only a small percentage of responses as main reason for not using formal care (3.2 per cent of full-time employed and 7.5 per cent of part-time employed mothers).

It is not possible to get detail on maternal labour force participation where children are aged 0-2 years since confidentiality considerations and small numbers of observations makes the ABS reluctant to release the data in usable form. However, some inferences are possible based on age of child and type of care used. For all children aged less than 1 only 8.6 per cent used some formal care; for children aged 1 this rose to 23.6 per cent and for 2 year olds 34.7 per cent. For three year olds there is a sizable jump to 57.9 per cent using some formal care and for 4 year olds 73.2 per cent.

Further there are links between type of care used and the main reason for using that care. Table 5 indicates the preschools are a source of care at age 3 and are a major factor from age 4. For 0-2 year olds, long day care and family day care are important providers of care. The Child Care Census (2000) shows that a high percentage of children using long day care and family day care had parents who used the services for work related reasons. For instance in 1999, 83 per cent of parents using private long day care centres did so for work related reasons, as did 89 per cent of parents using family day care. Thus there is a high probability that the mothers of 0-2 year olds using these care providers were doing so for work related reasons.

Table 5 Number of children by age of child (years) and type of formal care (a), '000s

	Under 1	1	2	3	4
Before and after school care program	-	-	np	np	*1.6
Long day care centre	11.3	37.0	54.2	66.6	56.9
Family day care	4.7	13.2	19.6	21.6	13.1
Occasional care	5.5	7.8	10.5	9.7	7.9
Preschool	-	np	np	56.8	129.2
Other formal care	*1.1	*2.0	7.4	6.6	7.1
Total children in population	251.8	248.4	254.9	256.7	262.4

- nil or rounded to zero (including null cells)

np not available for publication but included in totals where applicable, unless otherwise indicated

* estimate has a relative standard error of between 25% and 50% and should be used with caution

(a) Components of type of care do not add to total formal care as children could use more than one type of care

Source: ABS (1999) *Child Care, Australia*, Cat. No. 4402.0

There is one last proposition to investigate. Do working arrangements dovetail with childcare arrangements to facilitate work and family? Childcare services vary in their operating hours but generally would offer a span of less than 12 hours a day on week days only. There is little formal provision of childcare outside these hours. An employee who wishes to combine work and family must have work hours that allow for the dropping off and collection of young children. So working standard 9-5 hours Monday to Friday (no shift work, no overtime, no weekend work) would fit best with long day care and family day care. In 1997 the ABS collected information from employees with children under 12 years regarding certain work arrangements and use of formal care. The age range of children is so wide here as to throw doubt on the ability to detect any connection between work arrangement and formal care, nevertheless a reasonable hypothesis might be that having fixed start and finish times would allow for the scheduling of work around a regular routine (increase use of formal care) and that the ability to make up time later might assist with contingencies where the carer or child was ill and the child couldn't go to usual care (again increase use and willingness to work). However fixed start or finish times did not seem to be any more conducive to using formal care – 32.0% of women with fixed hours used formal care compared to 33.8% with variable start and finish times. The differential with respect to ability to make up time later is larger – 36.5% of women able to make up time used formal care compared to 30.2% who were unable to make up time later.

6. Conclusion

In Australia, it is difficult to construct a picture of the work and childcare arrangements used by families with children aged less than 3 years old. The care needs of this age group are such that flexible working hours are only going to be of assistance at the margin. Families with children aged 3 and 4 years old can take advantage of the regular hours of relatively inexpensive preschools and wind work hours around them. Admittedly the sometimes very short preschool day (half days) can place constraints on parental work hours or require a patchwork of care arrangements for the child. A child aged 5 will be eligible to enter the school system providing parents with 'free' child care for at least the school day. Work arrangements like flexible hours and working from home are likely to be more beneficial to families of these older children, though the data suggests that working from home is not a significant provision.

Parents of children aged less than 3 are more prone to having the mother out of the workforce or working part-time. Formal child care options centre on long day care and family day care which are subsidised, though it can be very difficult to find a child care place for a child under 2. For these parents work arrangements like permanent part-time work, job-sharing and employer assistance with the provision of childcare will be important. But again the experience of job share and employer assistance with childcare is limited.

A major issue for parents of this age group will be access to parental leave and the terms on which it is offered. Relative to the European statutory provisions, Australia's provisions are parsimonious and inflexible. The leave is unpaid, modest in duration and constrained until the child's age of 2 years and then only with the consent of the employer. An employee who returns to work of their own volition at say 6 months after birth cannot preserve the remaining 6 months of parental leave to use at some later date. A truly family friendly policy for families of very young children would be to move to redress the gap between Australia and Europe as regards parental leave entitlements.

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