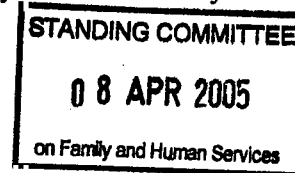


SUMMARY

of Women's Action Alliance submission to Inquiry into Balancing Work and Family

Matters discussed in this submission

- Women should be able to take extended periods of time out of the paid workforce to care for each child if that is their choice.
- They should feel supported in that choice by both Government policy and community attitudes
- Financial pressures should not constrain this choice.
- Government policies should not constrain this choice.



The government and the community need to face the fact that we cannot have BOTH - more mothers of young children in the paid workforce AND an increased birthrate. One comes at the price of the other.

The status of mothers and mothering needs to be raised and the demeaning of them by governments needs to cease

Many (not all) women would still elect to undertake the major part of the caring role when their children are very young if -

1. they felt well supported by the father of their child/children and
2. they were confident that their professional work roles would not be seriously compromised by periods spent out of the paid workforce undertaking caring roles.
3. their financial situation did not exert undue pressure on them to have only very brief periods away from paid employment

However we **recognise and welcome a cultural change** that requires greater sharing of the breadwinning and caring roles between spouses.

Role of marriage

Married people in their twenties and thirties are more likely to have or want children than both cohabiting and single people.

Being in a secure, stable and adequate relationship with a partner and having a secure, stable and adequate income are critical conditions for most people to have a child or to have more children

Marriage improves the financial wellbeing being of both men and women and makes them more productive as individuals

Role of debt – the role of home mortgages and HECS debts in suppressing the birth rate.

Need for retraining to be available to women returning to paid work after extended period outside the paid workforce

The role of precarious employment and male unemployment and underemployment in suppressing the marriage and birth rates.

Paid maternity leave v maternity payment

The **amount and value of the unpaid** work that prime aged women (aged 25-45 years) contribute to our society and its economy and the degree to which it occupies them during this phase of life

Disincentives to paid work for mothers – 4 are identified

Some new evidence about the effect of child care on children 0-3 years

Matters that need to be addressed through industrial processes and awards to make workplaces more flexible and family friendly - nine are identified

Why the focus on parents? A high youth unemployment rate, a large number of unemployed or underemployed men and a 17% unemployment rate amongst sole parents provides a genuine supply of underutilised labour available without putting pressure on mothers of school aged children to return to paid work before they feel ready

The need for non residential fathers to be fully employed and so be able to contribute adequately to their children's upkeep

The need for the **tax and family payments system** to be simplified and made more equitable – some principles to be observed in doing so are identified

The important role of **Family Tax Benefit Part B**



Women's Action Alliance (Australia) Inc

Submission to: The House of Representatives Standing Committee on Family and Human Services

Re: Inquiry into Balancing Work and Family

Date: April 2005

.....
Women's Action Alliance is a national women's group, established in 1975, which has active representation in each State and Territory of Australia.

Our aims are twofold

- 1. To raise the status of women in the Australian community
- 2. To strengthen Australian families as the basis of our society

To further these aims we encourage women to be well informed, to analyse issues, and to participate in areas where opinions are formed, and where decisions are made.

.....
We congratulate the House of Representatives on conducting an inquiry on this topic which is of particular relevance to the wellbeing of women and their families.

The major thrust of our submission will be that

- 1. Women should be able to take extended periods of time out of the paid workforce to care for each child if that is their choice.
- 2. They should feel supported in that choice by both Government policy and community attitudes
- 3. Financial pressures should not constrain this choice.
- 4. Government policies should not constrain this choice.

Unfortunately the government and the community may have to face up to the fact that we cannot have BOTH - more mothers of young children in the paid workforce AND an increased birthrate. One comes at the price of the other.

TERM OF REFERENCE 1

THE FINANCIAL, CAREER AND SOCIAL DISINCENTIVES TO STARTING FAMILIES

SOCIAL Disincentives

The status of mothering

One critical social disincentive to starting families for women is the low regard in which mothering is held.

A report from Monash University in September 2004 titled "What women (and men) Want"¹ included the voices of 114 Victorians. 14 were male and 100 were female. Participants ranged in age from 21-52 years of age.

The report said "Most of the women in this study felt that motherhood was viewed quite ambivalently in our society. While most of the women indicated that they personally felt it was a positive and important role, even if they were not planning to become mothers, they considered that mothers were not accorded a high status position and that their social contribution was not always valued. For women with children, this often meant that they valued their paid work as a crucial aspect of their identity. For women choosing not to have children, this lack of support was often mentioned in how they had decided motherhood was not for them."

One women's group called "MotherInc" in an online poll of mothers discovered that

1. 88% of mothers polled agreed that "Motherhood is undervalued in society these days"
2. 92% of mothers polled agreed that "Motherhood has been my greatest achievement"
3. 67% of mothers did not agree that "Having children has compromised my career in the workforce"
4. 86% believed that The benefits of being a mother far outweigh the problems
5. 71% did not agree with the statement that "Since having children I don't feel as confident about being in the paid workforce"
6. 91% agreed that "Being a mother has meant that I have a lot less time for myself"

Governments in fact are guilty of demeaning mothering in the following ways:

¹ "What women (and men) Want: Births, Policies and Choices" School of Political and Social Inquiry, School of Arts, Monash University, September 2004 ISBN 0-9756822-0-2)

1. By failing to include a question about unpaid work in the National Census. It is amazing that in the 21st century, 30+ years after the advent of the women's movement, women who care full-time for their family are still forced in the census to say that they are unemployed or do not have a job!

When filling in the census form if one states that one has paid work there are nine more questions to be answered about one's occupation. For those who state that they do unpaid work only (e.g. full time mothers) there are no more questions at all about their occupation. This carries a strong message that the government has no interest in mothering and does not feel a need to measure it or assess it in any way. By contrast (paid) labour surveys are conducted on a monthly basis year after year.

2. The Australian Bureau of Statistics Time Use Survey, which is the only ABS measure of work performed within families, has been downgraded from a five yearly survey to a longer cycle - the ABS even indicating that it may be performed as infrequently as 12 yearly in future. Statistics that are 12 years old are all but useless in a fast moving world. Yet if we are to develop good policy in the area of work and family responsibilities we need reliable and up to date data about both areas – paid work and family work.

In December 2003 the Minister for Family and Community Services, Hon the Senator Kay Patterson said in a letter to Women's Action Alliance, *"I believe that Australia's unpaid workers, particularly our full-time carers, deserve as much recognition and appreciation as our paid workers for their hard work and commitment to our national future."* The Minister also said, *"The rich set of data provided by the Australian Bureau of Statistics Time Use survey provides a valuable resource, particularly highlighting the unpaid caring and household work performed by so many Australian mothers."*

There is the rhetoric. Where is the policy implementation to support it?

3. Both federal and state governments frequently publish booklets about women and their welfare without once mentioning the word 'mother.' How can this be when becoming the mother is the most life altering event in any woman's life – and one from which there is no going back?

.....

We recognise a cultural change that anticipates and depends on greater sharing by men and women of both breadwinning and caring roles. We welcome and embrace this. However we believe that many (not all) women would still elect to undertake the major part of the caring role when their children are very young if -

1. they felt well supported by the father of their child/children and
2. they were confident that their professional work roles would not be seriously compromised by periods spent out of the paid workforce undertaking caring roles.

3. their financial situation did not exert undue pressure on them to have only very brief periods away from paid employment

We intend to address points 1 and 3 first and in order to do so believe that we need to focus on two important matters – MARRIAGE and MORTGAGES.

MARRIAGE

One Australian provider of marriage education services uses as its motto - "Marriage - when only the best will do." There are solid grounds on which to base the claim that marriage is the optimal foundation for family life. This is not just someone's opinion or even a widely held opinion – it is based on often replicated social research findings over time. We see a commitment to marriage as the ideal foundation for family life and believe that a commitment involving such serious mutual obligations and responsibilities - children and property - should be defined as a contract, for the protection of all parties.

There is a substantial body of research that indicates that children's life chances are enhanced by their parents being married. See Appendix A. There is also substantial evidence that the incidence of family violence and child abuse is much higher in de facto relationships than in marriages. See Appendix A

Relevance to Term of Reference 1

A key finding of the Fertility Decision Making Project conducted by the Australian Institute of Family Studies and completed in December 2004.² was that married people in their twenties and thirties were more likely to have or want children than both cohabiting and single people.

A major finding of the project was that being in a secure, stable and adequate relationship with a partner and having a secure, stable and adequate income are critical conditions for most people to have a child or to have more children. For most people this still means marriage.

Recent evidence has indicated that the main reason given by people in their thirties as to why they have not had children is the lack of a suitable partner.³ We also know that many people are not achieving their stated aspirations. The Fertility Decision Making project showed that about 1/3 of men and women surveyed expected to have fewer children than they ideally wanted.

We also know that married mothers participate in paid work at a much higher rate than sole parent mothers with children of any age. In March 2003, the labour force participation

³ The Fertility Decision Making Project, a telephone survey of 1250 men and 1951 women aged between 20 and 39 years conducted by the Australian Institute of Family Studies and completed in December 2004 Source AIFS Research Report No. 11

rate of parents with children under 15 years in couple families (79%) was higher than lone parent families (56%). Conversely, the unemployment rate of parents in families with children under 15 years, is higher in lone parent families (17%) than in couple families (4%) Source *Australian Bureau of Statistics Media Release, May 9 2003*.

Being in a stable marriage apparently makes it easier for "parents who so wish to return to the paid workforce" (Term of Reference No 2.) and is thus a key factor in achieving greater paid workforce participation by mothers.

Since 1992 researchers at the Department of Sociology at the University of Chicago measured the emotional, physical and cognitive functioning of married couples, singles and people who have remarried. The study covered 22,000 Americans aged 51-61 who were interviewed every two years. The research showed that marriage *improves the financial wellbeing* of both men and women and makes them more productive as individuals - presumably mainly through greater participation in paid work.⁴ Positive affirmation by governments of the choice to marry is sorely needed.

RECOMMENDATION The word 'marriage' should be used in government documents rather than the word 'relationship' or at least accompanying it - e.g. "marriage or relationship." to re-establish marriage as a norm. We have witnessed a tendency for the word marriage to be omitted from such documents as we have seen the words 'mother' & 'mothers' omitted - even replaced in one instance by the term "parenting women!"

RECOMMENDATION Pre marriage and marriage education services need to be expanded so that they can be more readily available to all.

RECOMMENDEDATION Continued social research into the sources of marital instability is desirable in order to identify ways to reduce the rate of marriage breakdown.

FINANCIAL disincentives

DEBT

Mortgages

When examining the financial disincentives to starting a family one must consider the costs involved in entering the housing market and the significant costs involved in servicing a mortgage. This activity tends to coincide with the family formation stage in the lives of many Australians. Working hard to raise sufficient income to purchase a house and maintaining a mortgage does and can have an impact on a couple's decision to have a child/ren.

⁴ These results were presented at the February 2005 conference of the Australian Institute of Family Studies, by Professor Linda Waite.

As early as 1911 half of all Australians owned their own home, a figure that was reached in Britain only in the 1970s⁵. Australian Bureau of Statistics figures show that there has been no change in home ownership rates between 1960 and 2000 with 32 per cent paying mortgages and 38 per cent of households having no mortgage. Nevertheless, the ABS states that housing shows little sign of becoming more affordable. Data shows that housing costs rose faster than the cost of living between 1995 and 2002.

First home buyers who have bought in the past three years are paying an average of almost 40 per cent of their income in loan repayments - a third more than 1998.

A report prepared by the National Centre for Social and Economic Modelling at the University of Canberra showed that in 1998 first home buyers paid an average of 30 percent of disposable income on mortgage repayments but this had spiralled to 39 per cent in 2004. The study found all home borrowers paid an average of 27 per cent of disposable income on their mortgage repayments, compared with 26 per cent in 1996.

The researchers had found that 883,000 families and singles were suffering housing stress. Those considered in housing stress spend more than 30 per cent of disposable income on housing and are in the bottom 40 per cent of income earners. One third of them live in NSW.

Professor Julian Disney, director of the social justice project at the University of NSW Faculty of Law, said that *'a mild downturn in the market would not solve the problem. Prices would have to halve before housing was as affordable as it was before the boom. The effects of the boom would take 10 to 20 years to unwind.'* ("Housing strain as costs eat up wages" – Sydney Morning Herald 28th June 2004)

In mid 2003 the Housing Industry Association called for an inquiry into new housing costs, especially the heavy tax burden on new home buyers. A report it released in July of that year said that taxes on new home and land packages, including GST, stamp duty, approval processing fees, local government contributions and State Government levies to fund infrastructures in newly developed areas have quadrupled in the last 10 years. The \$130,000 they are adding to the median house price will blow out to \$150,000 if some current state and council proposals become normal practice. ("Buying a home never so hard" - SMH 29/7/03, "Through the roof: taxes send home prices soaring" - SMH 8/7/03)

The Reserve Bank's quarterly report card on the economy, February 2004, showed that household debt fuelled by low interest rates was on the rise. Most economists at the time, interpreted this to mean that the Reserve was leaning toward an interest rate rise. We have witnessed this in the early part of 2005 with predictions of further rises as the year progresses. ("First timers desert loan market" SMH February 14-15th 2004).

⁵ "Somewhere to put your feet up" – Sydney Morning Herald 4th May 2004

All these factors confront the average Australian couple starting out, wanting to purchase a home, service a mortgage and have children. All these factors have an impact and Australia's fertility rate is and can be jeopardised by these real economic pressures.

The solutions are complex but need to be explored.

1. Abolishing stamp duty for first home buyers - as has been achieved in Queensland, Western Australia and NSW..
2. Ensuring home borrowing does not exceed 30 percent of disposable income in order to avoid housing stress with all its ramifications.
3. Ensuring that home loans can be tailored for periods of reduced income due to caring duties by one of the partners.
4. The urgent need to review all range of taxes and charges levied on new homes.

DEBT continued

Higher Education Contribution Scheme (HECS) See Page 13

CAREER disincentives

To return to our Point 2 on Page 3 (above)

i.e. Many women would still elect to undertake the major part of the caring role when their children are very young if they were confident that their professional work roles would not be seriously compromised by periods spent out of the paid workforce undertaking caring roles.

Availability of retraining

Here **the availability of affordable retraining** for those who have left their paid positions for a number of years is critical. This is a matter that could be enacted with the co-operation of unions and professional associations.

Many young women seem to be under the misapprehension that if they leave their professional positions for more than brief periods of time they will never achieve a career. The experience of many, many women older women indicates that this is not necessarily the case. Indeed several women serving in the parliament could attest to this. However for women to feel confident that their careers will not be seriously damaged by time spent caring for their families full time retraining programs must be readily available.

The high cost of subscriptions to professional journals for those not in receipt of an income is an issue that has been brought to our notice by Women's Action Alliance

members. Perhaps the cost of these could be tax deductible for those who are involved in the fulltime care of preschool and primary aged children.

Precarious employment

In the light of the finding mentioned above that having a secure, stable and adequate income is one critical condition for most people to have a child or to have more children it is important to note that that casual employment in Australia has increased from 15.8% in 1984 to 25% in 1997 (ABS 1998 Cat No 6310.0)

Approximately 60% of all casual employees are women. Casualisation of the workforce impacts adversely on family formation by deleting **all** access to leave entitlements including parental leave and also by making mortgages difficult to obtain.

Male Employment

Women's Action Alliance believes one needs to examine the development of a significant group of under and unemployed men in Australia to fully understand every dimension of the social disincentives to starting a family.

Professor Bob Burrell of Monash University in his recent study "Men and Women Apart"⁶ has highlighted the impact on the fertility rate of young men of child bearing age who have low skills and education not being attractive marriage partners. Such men need to be assisted to access permanent work and adequate wages to enhance their marriage prospects.

"Over the period 1986 to 2001 the proportion of men employed full time has fallen significantly. In the case of men aged 25-29 it has dropped from 76 percent to 67 per cent and for men aged 30-34 from 78 per cent to 71 per cent."

The financial capacity of men who are unemployed or unable to find regular work has and is having an effect on their efforts to partner and form families. These men are not in a position to take on the responsibilities of marriage and parenting nor do they make attractive prospects for women seeking someone to marry.

Those men without post school qualifications have been the hardest hit despite the buoyant Australian economy. In the report cited above researchers discovered that nearly half of all men in their late twenties and early thirties have no post school qualifications.

⁶ These were the findings of the report of Bob Birrell, Virginia Rapson and Clare Hourigan from the Centre for Population and Urban Research, Monash University entitled "Men and Women Apart: Partnering in Australia - 2004"

Researchers went onto explore why these men showed such weak attachment to partnering and it became evident that limited education provided limited job opportunities and in turn had an effect on income earning capacity.

The Treasurer, Mr Costello, in addressing a conference conducted by the Melbourne Institute and The Australian newspaper on March 31st 2005, said that Australia ranked just 20th of the 30 OECD countries in the proportion of men aged 55-59 in the workforce. In reporting this in The Age⁷ the economics editor, Tim Colebatch, also noted that we rank 22nd in the proportion of men aged 25-54 in paid work. Among the 25 richest countries we rank 21st. One in seven men in their prime working age has no job.

Again if figures are examined for women without post school qualifications it is evident that the levels of partnering for this group has also dropped significantly. The 'Men and Women Apart' report showed that there was no lack of interest in partnering by these women and indeed a significant proportion had had children and were lone parents but it appears that there is little incentive for a these woman to marry as these low, no income and limited education men do not provide the financial security they need and indeed could be a risk to the continuation of their social security benefits.

Women's Action Alliance urges the Standing Committee to examine the issues relating to this group of men and women.

We recommend that

1. An ongoing campaign be initiated in schools to engage all school leavers in post school education and training to ensure their future employment and earning capacity.
2. Unemployed and low skilled men be channelled into apprenticeships and training in areas identified as being in need of skilled workers.
3. These men seeking skills training and employment be targeted ahead of mothers caring for young children.
4. Financial incentives given to low income men who undertake and complete apprenticeships, marry and have families in the form of rent free accommodation for a designated period of time.

If the Australian Government is serious about solving the problem of men, and indeed women, on the fringe of society because of their lack of earning capacity then their issues need to be addressed urgently and bold reforms put into place so they too can enjoy what many take for granted, the ability to marry and form a family.

⁷ **"Big tax cuts or social inclusion. We can't afford to have both"** Tim Colebatch, Economics Editor, Opinion, The Age, April 6th P.27

FINANCIAL disincentives (continued)

The role of paid maternity leave

It is often suggested that providing universal government paid maternity leave would help women make the choice to be in paid work while their children are young and that this may help arrest our declining birthrate.

In fact the Australian Capital Territory, where Commonwealth public servants have had 12 weeks maternity leave **on full pay** for the last thirty years, has the lowest birthrate in Australia - 1.51 in 2001 (ABS 33118.0).

The "What Women (and Men) Want" report showed that 2/3 of the respondents said that the availability of paid maternity leave did not factor in their decision to have children.

The study also reported that cross-national evidence also suggests that there is not a direct relationship as such between the provision of paid maternity leave and an increase in the fertility rate (Hantrais, 1997; McGovern et al, 1992).

Also many low income women by the nature of their employment, or lack thereof, would be excluded from access to such a system – i.e. unemployed women, those with casual or contract employment, self employed, full time mothers and those who choose (or feel forced) to resign during the pregnancy.

For these reasons it was pleasing that prior to the last federal election both the Government and the Opposition announced their intention to introduce an inclusive maternity payment rather than paid maternity leave. We trust this will be retained.

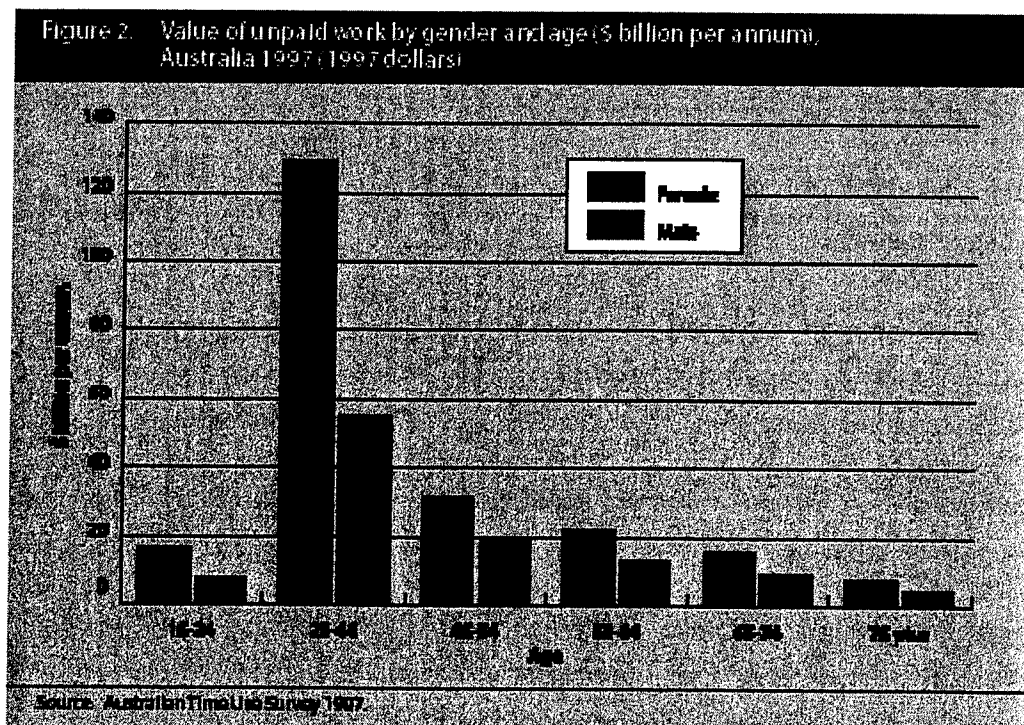
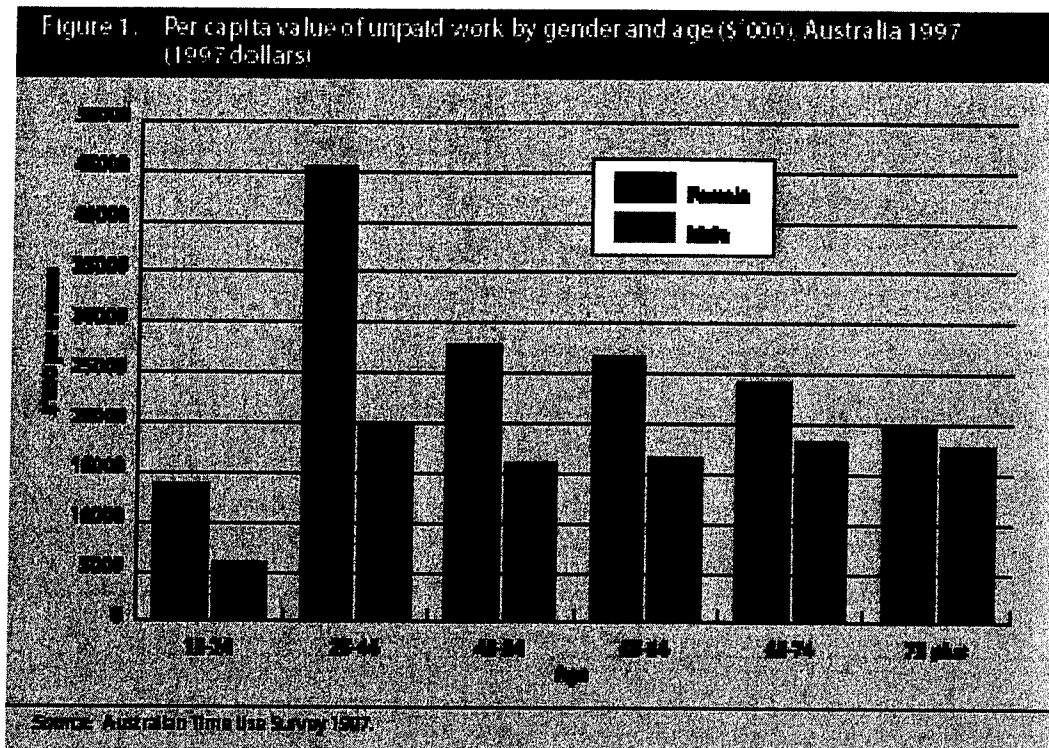
TERM OF REFERENCE 2

MAKING IT EASIER FOR PARENTS WHO SO WISH TO RETURN TO THE PAID WORKFORCE

Over the 30 years of the women's movement in Australia we have seen many initiatives designed to make it easier for women to be in paid work - equal opportunity legislation, affirmative action programs, government funded child care of various kinds, paid and unpaid maternity/paternity leave etc. While women's participation in unpaid work has risen over this period a drastic fall in our birth rate has occurred over the same period.

We acknowledge the pressing need to have as many people as possible in the paid workforce in coming years. However we wish to draw attention to the amount of unpaid work that prime aged women (aged 25-45 years) contribute to our society and its economy and the degree to which it occupies them during this phase of life. There is a push, especially from within academic circles, to have women in these years identified as a major under-utilised labour force. We strongly reject this view and shall address it first.

The Australian Institute of Family Studies Research Paper No. 34 “Measuring the value of unpaid household, caring and voluntary work of older Australians” by David de Vaus, Matthew Gray and David Stanton⁸ contains the following two charts. They show clearly that women in their prime years do by far the most unpaid work. That unpaid work is mainly mothering of young children. It is worth noting that men also do more unpaid work in that phase of their lives than at any other time, as they father children alongside their wives.



⁸ Australian Institute of Family Studies, October 2003, 24p. ISBN 0 642 395007 1 . ISSN 1446-9863 (Print); ISSN 1446-9871 (Online)

We detect a developing attitude that full time mothers should be attracted into the paid workforce. We fear that the government is tending to view women who are undertaking full time mothering and other caring work as potential taxpayers rather than as the active economic contributors they are.

The rise in the proportion of elderly in the Australian population, due to the falling birthrate, is driving an argument that we must have more tax-payers in the economy. The irony is that the very women targeted as being the much needed extra contributors to the tax-base are also those in their prime childbearing years. It is well established that the more children a woman has the longer she is out of the paid workforce.

NB The Government, in setting its policy directions, needs to be careful not to work at cross-purposes with itself. It should not seek to increase women's participation in paid work at the expense of making it harder and even less attractive to have children.

One academic espoused the view that women in their middle years are the great source of underutilised labour in an article in "About the House," the excellent magazine produced by the House of Representatives. The very inclusion of such an article in the magazine seems to indicate that members of the House of Representatives give some credence to this view.

While there is a range of things that can be done to make it easier for parents of young children to participate in paid work the greatest hurdle to be overcome is the love of parents for their children, their bonding (attachment) to them and their concern for their welfare. Prising mothers away from their infants in the early years seems a dubious policy indeed.

It is our experience that women with one child often seek to return to paid work while those with a second or further children mainly look for the opportunity to be at home with their children for an extended period.

We noted the Standing Committee Chair's comment in the Media Release of March 2nd that *"only 43 per cent of women with two or more children are in the workforce, compared with 82 per cent in Sweden and 62 per cent in the UK. This illustrates a need for enhanced family-friendly policies and workplace arrangements."*

We beg to differ. This illustrates that when given the choice most women with two or more children in Australia will not participate in paid work. We are only concerned to know whether the 43% who do participate in paid work are there by choice or they are economic conscripts. If there by choice they have our full support. If there due to economic pressure they have our full sympathy and we urge the government to ease their burden.

Most ordinary Australians participate in paid work in order to make a living for themselves and their families. Financial needs force many mothers of young children return to paid work with great reluctance, due to their belief that the best care for their children is their own care. This raises the question as to whether we should first be considering "making it easier for parents who do **not** wish to return to the paid workforce to **avoid doing so**"

New Woman magazine recently surveyed 1500 women (2005) - an average age of 29 - to see what their main sources of happiness were and found that over 2/3 wanted a home life with a marriage and with the man as the main financial provider

70% of those asked said they did not want to do as much paid work as their mothers of the 1970s did and only 1% said that after they have children their paid career will be a top priority.

Such a poll result pleased writer Linda Lovric who said that today's young mothers often spent much of their own childhood in daycare and want something different for their own children. (The Editor added a note: *This is not a backward step for feminism as some might fear. I think it is actually a step forward for women to have a full range of choices and not to feel tied to the office desk or to the kitchen.*)

Do women need incentives to be in paid work?

There is more than enough incentive (pressure) for families to have two incomes applied via housing costs, HECS debts and ordinary living costs without the Government actively seeking other measures.

To more specifically address the Term of Reference

DISINCENTIVES TO PAID WORK FOR MOTHERS.

For mothers who are ready to return to paid work and wish to do so there are several existing disincentives that could be examined.

- A mother who needs to undertake further study in order to participate in (usually) part time paid work may be reluctant to accumulate a debt under the Higher Education Contribution Scheme (HECS) Most mothers undertake only part time paid work due to the level of unpaid family work still required of them.
- The need to resume repaying an existing HECS debt when the mother returns to paid work. Her debt may have inflated substantially over several years while she was out of the paid workforce caring for children.
- High effective marginal tax rates – especially where there are a couple of 16-18 year olds in the family. We acknowledge that adjustments have been made in the recent

Budget to means tests and phase out rates on Family Payments in an attempt to address this matter.

- Inflexibility in most workplaces in relation to hours, leave to care for sick children, the need to work through school holidays etc.

RECOMMENDATIONS

- **The HECS debts of women be frozen (i.e. not inflate with indexation) during periods out of paid work caring for dependants.**
- **The HECS debt of couples who have four or more children be deleted.**

Child Care

New evidence presented by Professor Margaret Sims in her paper at the recent Australian Institute of Family Studies⁹ conference reveals that children attending out of home care at least 3 days per week suffer a rise in cortisol over the day. Cortisol is a chemical response to stress. Stress in infancy is considered damaging as high cortisol levels impact on the development of a range of neurotransmitters whose pathways in the brain are still being built. The outcome of this is long term difficulties with self and emotional regulation. This is thought to explain the higher level of non compliant and aggressive behaviours found in children who have attended extensive child care from an early age. This effect is at its greatest at about 2 years of age and decreases over the pre school years.

WAA recommends that the following matters be given urgent consideration through the industrial processes and awards

- the extension of the statutory period of unpaid maternity leave from one year to three years
- a shorter working week for women working full time – a 35 hour week, combined with a 9 day fortnight. This day off each fortnight is essential to allow women to make appointments, have tradesmen attend the home in their presence attend to family matters, cleaning etc
- An entitlement to return to part time work after a period of parental leave
- 'reduced hours' for a period of 12 months after return to work
- no loss of promotion level

⁹ "Children's Wellbeing in Childcare" Associate Professor Margaret Sims, Dr Andrew Guilfoyle & Professor Trevor Perry. Paper presented at the 9th Australian Institute of Family Studies Conference Melbourne, 9-11 Feb 2005

- an entitlement to consideration of family responsibilities when establishing rosters on return to paid work
- shorter working days - 9am-3pm - for parents with school aged children, both primary and secondary
- flexible working arrangements - with ready access to personal leave, long service, annual leave and unpaid leave
- the capacity to purchase extra leave – to allow women with young children to be at home for most of the school holidays if they choose to take a reduction in annual income in exchange for extra annual leave.
- where this leave cannot be provided parents to be reimbursed by employers for child care costs over school holiday periods.
- the right to accrue long service leave, annual leave and sick leave entitlements during the statutory period of unpaid maternity leave.

Women's needs differ at different periods in their lives

- Mothers of preschool aged children may need reduced hours or part time work
- Mothers of school aged children may need shorter working days - 9am to 3pm and the capacity to purchase extra annual leave.
- Women with elder care responsibilities need flexible working arrangements - flexible access to annual leave and access to unpaid leave, personal leave etc.
- Women approaching retirement who wish to retire gradually require permanent part time work.

Mothers working the infamous "double shift" (paid work/family work) can experience extreme time poverty and role conflicts, workload fatigue, physical injury/fatigue and emotional stress. These high levels of fatigue and stress can impact negatively on their marriages and families and their health .

Why the focus on parents?

It is very difficult to understand why the federal government is so keen to focus on getting mothers into paid employment while our youth unemployment rate is still 15.7% (15-19 year olds) ¹⁰

¹⁰ ABS Year Book Australia, Labour, 1301.0- 2005 Article "Young People in Employment" Chart No 6.26

Mothers are contributing to the community through their parenting but some young people are not participating at all and are in great need of employment to become financially self sufficient, to gain skills, to build an economic base for future life plans and to develop self esteem.

We are horrified to read reports in the press of plans being discussed in Cabinet to put pressure on sole parent mothers to return to work or training when their youngest child enters primary school.

We do not in any way support welfare cheats or a mentality of long term dependency. However we wish to ensure that women's mothering and caring roles are not seen as a secondary consideration to the Government's plan to get all people of working age who are in receipt of welfare payments into training and "real" jobs.

Women caring for a family on their own already have an enormous task. To place further strain on them by requiring them to assume training or paid employment when their youngest child is five years old is to ignore the reality of their lives and their responsibilities.

Many sole parent mothers live extremely complicated lives. Recent research discussed in 'Family Matters', the magazine of the Australian Institute of Family Studies, points to the greater risk that they suffer of mental illness, physical ill health, substance abuse and domestic violence (physical and sexual) than the general population.¹¹ Overall the risk of lone mother recipients of welfare payments having a mental health barrier was almost three times the risk of other mothers. 13 per cent of lone mother recipients experienced anxiety and depressive disorders compared to 4 per cent of other mothers. Many of these women who cycle on and off welfare were also victims of childhood abuse themselves. (Salomon et al 1996)

It should be asked whether the former partners of sole parent mothers who fathered the children will also be encouraged to seek employment or more hours of employment than they currently have. Of parents (almost all fathers) making child support payments via the Child Support Agency in the year 2000-2001 the median income against which child support liability was assessed was only \$13,886 pa when average male weekly earnings were \$45,000pa. This indicates that many of these men are unemployed, under-employed or concealing their income.

As noted above (see Page 4) in 2001 17% of lone parents with children under 15 years of age were registered as unemployed (*from ABS Media Release, May 9 2003*) so there is a significant number of sole parents seeking paid work and they should certainly be assisted

¹¹ "Family Matters" Issue No. 64, Autumn 2003, pp 22-29 "Multiple and severe disadvantage among lone mothers receiving income support" Butterworth, P.

to achieve that – rather than putting pressure on sole parents with school aged children who do not yet feel ready to seek employment.

While we still have such a high youth unemployment rate, a large number of unemployed or underemployed men and a 17% unemployment rate amongst sole parents there is a genuine supply of underutilised labour available without putting pressure on mothers of school aged children to return to paid work before they feel ready. Before a mother in receipt of the Parenting Payment (single) is required to take up employment or training a personal adviser should examine her individual life circumstances **and that of the children's father**, and make recommendations re the capacity of each parent to participate or to participate more.

TERM OF REFERENCE 3

The impact of taxation and other matters on families in the choices they make in balancing work and family life.

Some Women's Action Alliance principles re families and taxation

Women's Action Alliance believes that the tax and family payments system needs to be reviewed to simplify it and make it more equitable for all families regardless of how they structure their paid and unpaid work roles.

Such a review should take into account the following principles:

A: All family payments and tax benefits **MUST** take into account the number of dependants.

B: The effect of the combination of tax and family payments should be neutral, ie: total net family income should as far as possible not be affected by the way that income is earned.

C: A major priority at all times should be the reduction of poverty traps.

D: Family payments and tax benefits should as far as possible be simplified and streamlined, taking into account the first three principles.

E: As a matter of principle, we believe that a basic family payment and/or tax benefit should be available to **ALL** families with dependants regardless of income.

FAMILY TAX BENEFIT PART B

Recent media reports that the Government may be considering applying a means test to the Family Tax Benefit Part B are concerning.

This payment replaced the Home Child Care Allowance (introduced by the Keating Government) which replaced the Dependent Spouse Rebate (DSR) which had existed for many years.

Women's Action Alliance argued during the 1970s and 80s that the Dependent Spouse Rebate should be paid out in cash to the mother (or father where he is the full time parent) as the concept of dependency had become abhorrent under feminist theory. This was done by the Keating Govt as a direct response to our representations.

The whole purpose of Family Tax Benefit Part B is to acknowledge that two adults are living on one income and that the non earning partner has living costs that need to be allowed for in the tax system. Horizontal equity principles demand that a shared income should not be taxed as stringently as one which is supporting only one adult. This should apply at any income level as it did, historically, with the Dependent Spouse Rebate.

eg. Consider two senior bankers who sit at adjoining desks doing the same job and earning the same high income. One has a dependent spouse/partner and three children and the other is single. Means testing of all family payments would result in them paying exactly the same income tax. It can hardly be argued that this is fair.

Philosophically the FTB (B) payment carries significance as it acknowledges that the non earning parent (usually the mother) is undertaking caring parental work which is vital to the community's welfare and that she is in fact a member of the nation's workforce, operating in the unpaid sector.

Most mothers are out of paid work for some period of time - be it a brief or an extended period, so almost all families benefit from this payment at some time in their life cycle.

Also the intent of the payment is to assist families at a time when they are living on one income and so are relatively financially disadvantaged compared with periods in the marriage when both are earning. These are mainly periods when there are babies coming and young children in the family. If we want people to have babies, supporting them at these times seems sensible.

Thus we believe that the Family Tax Benefit should be retained as a universal payment for qualifying women

We wish the Committee well in its deliberations on this important matter.

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Women's Action Alliance Recommendations to the Inquiry into Balancing Work and Family

1. The word 'marriage' be used in government documents rather than the word 'relationship' or at least accompanying it - e.g. "marriage or relationship." to help re-establish marriage as a norm.
2. Pre marriage and marriage education services be expanded and made more readily available to all.
3. Continued social research be undertaken into the sources of marital instability to identify ways to reduce the rate of marriage breakdown.
4. Solutions to high mortgages costs need to be explored.
 - Abolishing stamp duty for first home buyers - as has been achieved in Queensland, Western Australia and NSW.
 - Ensuring home borrowing does not exceed 30 percent of disposable income in order to avoid housing stress with all its ramifications.
 - Ensuring that home loans can be tailored for periods of reduced income due to caring duties by one of the partners.
 - The urgent need to review all range of taxes and charges levied on new homes.
5. Retraining courses be available to women returning to work after extended periods of time spent outside the paid workforce caring for dependants.
6. Consideration be given to making the cost of professional journals tax deductible for those who are involved in the fulltime care of preschool and primary aged children.
7. An ongoing campaign be initiated in schools to engage all school leavers in post school education and training to ensure their future employment and earning capacity.
8. Unemployed and low skilled men be channelled into apprenticeships and training in areas identified as being in need of skilled workers.
9. Men seeking skills training and employment be targeted ahead of mothers who are caring for young children.
10. Financial incentives be given to low income men who undertake and complete apprenticeships, marry and have families in the form of rent free accommodation for a designated period of time.
11. The HECS debts of women be frozen (i.e. not inflate with indexation) during periods out of paid work caring for dependants.
12. The HECS debt of couples who have four or more children be deleted.
13. The following matters to be given urgent consideration through the industrial processes and awards
 - the extension of the statutory period of unpaid maternity leave from one year to three years
 - a shorter working week for women working full time – a 35 hour week, combined with a 9 day fortnight. This day off each fortnight is essential to allow women to make appointments, have tradesmen attend the home in their presence attend to family matters, cleaning etc
 - An entitlement to return to part time work after a period of parental leave

- 'reduced hours' for a period of 12 months after return to work
 - no loss of promotion level
 - an entitlement to consideration of family responsibilities when establishing rosters on return to paid work
 - shorter working days - 9am-3pm - for parents with school aged children, both primary and secondary
 - flexible working arrangements - with ready access to personal leave, long service, annual leave and unpaid leave
 - the capacity to purchase extra leave – to allow women with young children to be at home for most of the school holidays if they choose to take a reduction in annual income in exchange for extra annual leave.
 - where this leave cannot be provided parents to be reimbursed by employers for child care costs over school holiday periods.
 - the right to accrue long service leave, annual leave and sick leave entitlements during the statutory period of unpaid maternity leave.
14. Sole parent recipients of the Parenting Payment (single) not be required to undertake training or employment while they have school aged children.
15. If any change is enacted, before a mother in receipt of the Parenting Payment (single) is required to take up employment or training a personal adviser should examine her individual life circumstances and that of the children's father, and make recommendations re the capacity of each parent to participate or to participate more.
16. The tax and family payments system be reviewed to simplify it and make it more equitable for all families regardless of how they structure their paid and unpaid work roles.

Such a review to take into account the following principles:

- All family payments and tax benefits to take into account the number of dependants.
 - The effect of the combination of tax and family payments should be neutral ie total net family income should as far as possible not be affected by the way that income is earned.
 - A major priority at all times should be the reduction of poverty traps.
 - Family payments and tax benefits should as far as possible be simplified and streamlined, taking into account the first three principles.
 - A basic family payment and/or tax benefit should be available to ALL families with dependants regardless of income.
17. The Family Tax Benefit to be retained as a universal payment for qualifying women