

[REDACTED]
STANDING COMMITTEE ON FAMILY AND COMMUNITY AFFAIRS
INQUIRY ON REASONS FOR DECLINING BIRTHRATE AND [REDACTED] N.S.W.
IMPEDIMENTS TO REJOINING WORKFORCE - SUBMISSION ONE

1 CASUAL AND PART-TIME WORK IS TOO CHEAP FOR EMPLOYERS AND
TOO CHANCY FOR EMPLOYEES

These act as deterrents to starting a family.

- 2 TERTIARY EDUCATION IS VIEWED AS ESSENTIAL BY MANY
POTENTIAL PARENTS BUT THE COSTS THEREOF HAVE RISEN TO
PROHIBITIVE LEVELS AND COMPULSORY REPAYMENTS OCCUR
JUST WHEN CHILD-REARING WOULD OTHERWISE BE MOST
APPROPRIATE

There is no evidence that the student population has been properly consulted
and given an opportunity to negotiate a more reasonable basis for tertiary fees
and repayments.

- 3 HOUSING COSTS HAVE BEEN DELIBERATELY ALLOWED TO RISE
TO EXORBITANT LEVELS WHICH DETER FAMILY FORMATION
AND HIGHER BIRTH RATES

Australia's Monetary Policy is a sham and abject failure both in theory and
application.

First, Monetary Policy has been directed specifically at keeping the Consumer
Price Index (CPI) within prescribed limits. This is a sham because factors
other than Monetary Policy are the main determinants, especially wage
growth and the \$A.

Second, Monetary Policy (MP) as an instrument of national economic policy
is no longer an effective instrument because it has been stripped by previous
legislation, of every weapon except one, ^{namely} the bank interest rate, which is
wielded on rare and dubious occasions.

Faced over recent years with the dilemma of keeping interest rates
low and letting housing costs roar ahead, or a policy favouring more stability
in this crucial area, the authorities have opted for low interest rates.

This is a disaster for family formation and birth rates, and the effects
are exacerbated by the two additional factors I mentioned previously.

Housing affordability is now more adverse than ever.

The younger generation has had to be loaded up with a vast burden of
housing debt. The effect on the family budget is not only the higher cost of
money, but more importantly, it is the cost of the higher rate applied to the
expanded borrowing.

The remedy is to supplement the interest rate instrument with other
more appropriate instruments of national economic policy.

CONCLUSION: Australia's lower rates of family formation and birth rates
are not at all surprising because they are the results of deliberate policies of
choice. Remedies are available and should be adopted in Australia's national
interest.

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