

AUSTRALIAN FAMILY ASSOCIATION

BALANCING WORK AND FAMILY

Case Study #2 – spiraling debt; anti-family work contracts; housing costs; HECS debts.

07 Mar 06

Dear Mary-Louise Fowler,

Thank you for inviting me to submit my experience to you as a case study in your presentation on balancing work and family to the House of Reps. I am excited and inspired by your struggle to influence government policy in the hope for a better deal for families.

Whilst my struggle to balance work and family has been far more difficult than average, it is a clear example of the what can happen when a person “falls through the cracks”. My family unit has effectively disintegrated, at great personal, social and economic cost. I would do all in my power to prevent others succumbing to the same spiral of hopelessness.

I am 29 years old, born the second child of four in rural NSW. I completed my HSC via correspondence, and left home to attend university, where I studied soil science. My rural background meant that I had no employment history. This hindered my applications for part time work, and also prevented me from being recognized as an independent person in the eyes of centrelink. **In addition to this problem, my parents, who are primary producers were asset rich but cash flow poor and unable to offer financial assistance that would otherwise compensate for a reduction in government assistance.**

The lack of financial support during my time at university has had unparalleled impact on my situation. My employment options were limited to seasonal work, and the army reserve. These demands impinged on the amount of time I could devote to study, and paid tokenistic rates (the army reserve is pays a minimal amount because it is tax free, but that is no benefit to anyone who doesn't earn enough to pay tax). The need to balance work and study, distance induced limitations on family support, and financial stress exacerbated many of the typical issues critical to personal development in my late teens. By my third year I was suffering from a stress induced mental health illness, and did not complete my

degree. With no formal qualifications or experience, I found it difficult to compete for unskilled positions with people who were younger and thus cheaper to employ.

I married a soldier in 2000, and moved in with him in Brisbane. The decision to do this resulted in the loss of all financial and employment assistance. Lack of independence, combined with unemployment were pivotal issues in my life, and resulted in clinical depression, which further destabilized my situation. I bore 2 children 14 months apart, who became wards the state as a result of the decline in my mental health. My children were placed in the care of my parents, and I moved interstate to be with them.

As it became clear that I did not have the resilience to cope a transient lifestyle and a husband that was away regularly, my husband was then forced to choose between his family and his career and solvent financial future. Extreme levels of debt, combined with a lack of skills and qualifications meant that giving up his position in the military was traumatic.

Upon discharge, my husband gained employment as a laborer for \$14 per hour, in a job that required him to travel in excess of 50km to work each day (100km round trip). This job was both seasonal and weather dependant, resulting in an income that was unreliable at best. At the same time, he incurred in excess of six thousand dollars in legal fees fighting for his children. I suspect that, if he had less self respect, he would have been better off in the short term to be unemployed as he could have then applied for legal aid.

We separated in February 2005. This enabled me to qualify for unemployment assistance as well as legal aid, and allowed him to move closer to his job.

It took my husband 12 months to find alternative employment, working in an abattoir. **The position employed workers as subcontractors, paying them more in the short term, but forcing workers to trade in all entitlements and security.** It also required him to move further from his children. Workers had to struggle with unpaid days off with less than 12 hours notice whenever the price of sheep was too high, or the weather prevented the transport of stock to the site. During the 10 days that the abattoir was closed over Christmas

and New Year, he had time to spend with his family, but no income. This was a huge impediment to the joy and festivity of Christmas.

The abattoirs closed at the end of February 2006, with less than five hours notice, leaving my husband, along with approximately 150 other people instantly unemployed. He was locked into a lease in a place he would not normally choose to live, and had no payout to minimize the blow.

Matthew has since found a job as a laborer at a piggery, earning a trainee wage of \$12.75 per hour. His take home pay is approximately \$400 per week, of which he pays \$125 in rent, and spends approximately \$100 per week on fuel. Although he works a 38 hour week, he struggles to pay his electricity, and cannot afford to have the phone connected. His inability to replace items that deteriorate (such as the lawn mower, whitegoods and household furnishings) result in a lifestyle that is decreasing at an ever increasing rate.

For me, stable employment has been illusive. A lack of experience, a transient background, references that are now out of date, and reluctance by employers to take on a woman of child bearing age, have combined to keep me in an ever strengthening and self perpetuating unemployment spiral. I am restricted to temporary seasonal work such as fruit picking, the majority of which pay piece rates, require the employee to travel, and sometimes incur expenses such as equipment. I averaged less than \$5 per hour doing these such jobs, an anything that exceeded \$30 per week results in a reduction in unemployment payments. Under these conditions, I suspect I was financially no better off then staying in bed.

Race, age and gender work against me in relation to many unskilled positions. I bring to your attention my application for a job at our local abattoir, which expanded, and advertised that they were taking on 180 new workers. **I applied, and was told by the recruitment officer that they would not take me on unless I had previous experience or was Aboriginal or Tories Strait Islander.** Inexperienced males who were not Aboriginal or Tories Strait Islander did not experience the same rejection.

In addition to this, **I feel that recruitment agencies have represented a barrier rather than a tool in my struggle for employment** as it does not allow people to present themselves directly to the employer. This process transforms an enthusiastic individual into little more than a file, and is a clear disadvantage to people who do not have formal qualifications and depend on being able to build a positive impression through personal manner and appearance. It also discourages feedback, and the ability to discuss any concerns that the employer may have when considering any inconsistencies in a person's life.

I live frugally, unable to support an outgoing phone service or internet connection. I am neither able to afford insurance or overcome loss, such as loss when the old and rundown unit I was renting caught alight as a result of deteriorating electrical wiring. I am unable to keep a vehicle serviced and in good repair, which further inhibits my employment prospects.

In desperation, I have recommenced my university education on a part time basis, but have had to commence anew because of the time lapse. In another seven years time, **when I complete my degree, I will have to pay a HECS bill from both my current degree and the degree I did not complete.** I will be in my mid to late 30's, with no super and the residual effects of a almost two decades of stress, anxiety and hardship.

In summary, I feel that our family is an extreme example of the consequences associated with the inability to balance work or study with a stable and fulfilling family life. **We are stuck in a system induced spiral of poverty, frustration, and hopelessness, born of long-term unemployment and debt that dominate our lives.** My husband cannot afford for me to live with him as a wife, which directly feeds the barrier in our bid to resume being parents. *Our inability to break this cycle comes at a huge cost to the government, and increases the likelihood that our children will one day enter the same cycle.*

Policy decisions that I feel are likely to have a positive impact on our lives, and the lives of other like us would include;

- **That the capacity to "Negative gear" an investment property against an alternative income impacts on house affordability for an average household, on an**

average wage. Surely tax benefits on investment properties increase demand, and therefore the cost of supply. Such benefits assist to people who can afford to invest money, while discouraging owner occupiers. I suspect that it could be shown that families who live in their own home are more likely to be happy, and therefore more secure and stable. Home ownership allows the home to be maintained and modified to best suit the needs of the family, make improvements such as extensions and gardens financially justifiable, and generate as sense of pride and constant achievement.

- That centerlink needs to regard people as people, irrespective of their living arrangements. **Whilst ever I am unemployed, there are extreme disincentives for living with a spouse.** I would suggest that it could be proven that the long term costs, on both a social and economic level are greatly increased whilst ever people are channeled toward life living alone.
- **“Pay nothing for 12months” (then revert to a loan at 28% interest) is likely to have contributed to the financial downfall of innumerable individuals, and therefore families.** My husband, along with many other young people are already in extreme levels of debt before they are old enough to truly understand what it means. They spend **the rest of their lives** struggling to overcome their mistakes. I truly believe that interest rates on purchases should be capped, say at 20%, or far more closely monitored to stem the flow of insurmountable household debt.

I once again thank you for inviting me to take part in your crusade in the name of the family and am more than happy to expand on anything I have written. I sincerely hope that the telling of my experience has been helpful in your cause,

