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Catholic Welfare Australia

A COMMISSION OF THE AUSTRALIAN CATHOLIC BISHOPS

8 April 2005

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STANDING COMMITTEE
12 APR 2005
on Family and Human Services

The Hon. Bronwyn Bishop
Chairperson
Standing Committee for Family and Human Services
House of Representatives
Australian Parliament House
CANBERRA ACT 2600

Dear Ms Bishop,

Please find enclosed Catholic Welfare Australia's response to the Terms of Reference outlined in the *Inquiry into Balancing Work and Family* currently being run by the House of Representatives Standing Committee for Family and Human Services.

Catholic Welfare Australia is pleased to be involved in this very important Inquiry and we acknowledge this Committee has a challenging task ahead.

Strengthening Australian families is clearly at the heart of the Australian Government's intentions in these matters – an aim we at Catholic Welfare Australia work tirelessly to achieve on a daily and ongoing basis.

If I may be of assistance to you or your staff I can be contacted on (02) 6285 1366 or on my mobile 0409 655 460.

With every best wish.

Yours sincerely

Mr Frank Quinlan
Executive Director

THE NATIONAL NETWORK OF CATHOLIC SOCIAL SERVICES

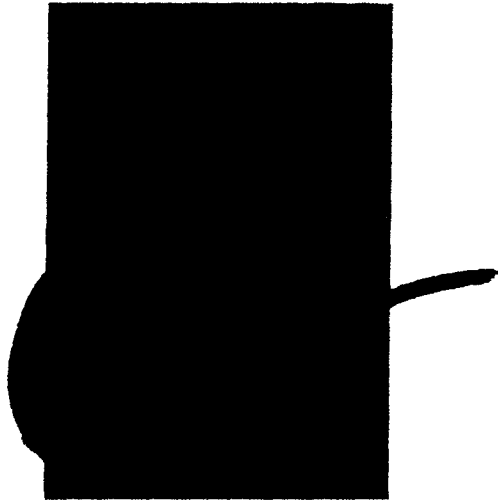
22 Theodore Street (PO Box 326) Curtin ACT 2605

Phone: (02) 6285 1366 Facsimile: (02) 6285 2399

Email: admin@catholicwelfare.com.au

Website: www.catholicwelfare.com.au

ABN: 18 810 059 716



Catholic Welfare Australia

**Response from Catholic Welfare Australia
to the
House of Representatives Standing Committee on
Family and Human Services
*Commonwealth Parliamentary Inquiry into Balancing
Work and Family***

8 April 2005

This submission has been prepared in consultation with the:
Bishops' Committee for Family and for Life
&
Australian Catholic Social Justice Council

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INTRODUCTION

Balancing Family and Work is fundamental to the integrity of Australian society and the welfare of Australian families. Balancing Family and Work was described by the Prime Minister, the Hon John Howard MP, as 'the biggest ongoing social debate of our time, I call it a barbeque stopper'¹. The Prime Minister went on to say 'There is no single answer to this...What we've got to try and do is promote choice.' In Australia today many families do not have a choice about this important matter. Examination of the needs of Australian families, especially those suffering disadvantage, is imperative to understanding how Australian families can balance family and work.

Catholic Welfare Australia welcomes the opportunity to comment on the House of Representative Standing Committee on Family and Human Services *Inquiry into Balancing Work and Family*. While we are pleased to be consulted on this matter, we note that such a short time frame for consultation makes it difficult for national bodies, such as ourselves, to thoroughly canvass the opinions of our network.

Catholic Welfare Australia is the peak body representing 54 social service organisations of the Catholic Church at the national level and provides advice on social issues to the Australian Catholic Bishops Conference (ACBC). (See Attachment A for full details). Catholic Welfare Australia Member Organisations provide a broad range of services, assisting individuals and families irrespective of social, religious or financial background.

The reach of the Catholic Welfare Australia Network is substantial in that it:

- operates from more than 250 sites around the country (Attachment B);
- administers in excess of \$200 million each year, through its multitude of services;
- assists over one million people annually, through the efforts of over 6,000 employees; and,
- is the major provider of family services in remote and rural areas.

Our mission dictates that particular emphasis is given to ensuring families and those who are marginalised, vulnerable or disadvantaged, receive the best possible care. Consequently, delivery of family services is a core function of Catholic Welfare Australia. Member Organisations collectively administered \$11.1 million from the \$56 million Family Relationships Services Program allocation in the 2003-04 financial year. However this pays for just under one sixth of direct family work carried out by our agencies – in excess of \$70 million – with the rest of the services provided being funded through state government funding, Church contributions and client fees.

Catholic Welfare Australia also has an Employment Services Contract with the Australian Government to deliver Job Network Services through 16 sites across Australia. This contributes to providing pathways to employment and success for the

¹ Radio 6WF, 18 July 2002

most disadvantaged job seekers through creative labour market solutions. Based on the Government's own performance assessment model 'Centacare Employment' is currently one of the top providers in the country.

Reflecting our mission, this Catholic Welfare Australia submission will comment on low income families where, in reality, subsistence rather than reaching a balance is the focal point of their lives. Every day, our staff are confronted by the realities of life in Australian families. Much of it is wonderful, but we see many examples where, in what could euphemistically be described as *Balancing Family and Work*, families struggle to survive and to maintain contact with society. There are many who have great need of assistance in maintaining such balance. For this group of Australians, carefully considered Government policies around taxation, childcare, training, and welfare to work transition will have significant impacts on the wellbeing and prosperity of their lives.

Whilst we will be focusing our attention on children, parents and grandparents in this submission, we support the growing public view that the family and work debate needs to be extended beyond parenting demands to include the role of carer that many Australians now fill. Balancing family and work commitments whilst providing care to an elderly and/or disabled relative should be on equal footing with parenting when developing strategies and policies aimed at assisting Australians better meet their competing family and work demands.

In addition to our vast experience, there is also a long tradition of Catholic social thought and principles in this regard. They are thoughts and principles that are very important to Catholics but their application is much wider. All who endorse the concepts of fairness and equity, that are an essential part of the Australian character, will endorse these principles. These principles provide an insight into the history of thought regarding work and family matters relevant to this current inquiry:

- the central role of family in society;
- society has a role in fostering the formation and development of a family;
- work is vital for the dignity of the individual and family;
- work and family are inextricably linked, with work supporting life in society;
- the Government has an important obligation to provide for favourable conditions that will ensure job opportunities for all;
- the Government is obliged to provide adequate unemployment benefits to people who are unemployed;
- mutual obligation requirements must respect the dignity of the individual; and,
- the Government has an obligation to minimise social and economic imbalances.

Further information on the above principles is provided in Attachment C.

RECOMMENDATIONS

1. That information on the socio-economic characteristics of mothers and households is collected at the time of the child's birth.
2. That Government works with business, the community sector and other relevant organisations to develop a national training strategy targeted at early school leavers and individuals with low skill levels.
3. That Government addresses the affordability of housing for low-income earners by:
 - better targeting the assistance provided under the first home owners grant;
 - providing access to lower cost housing to low income earners; and
 - improving the ability of the rental assistance program to address housing stress.
4. That employers are encouraged to provide re-entry processes (for example, internal training programs) for those who have left the workforce due to family reasons.
5. That Government considers initiatives to sustain the family through supporting the non-primary carer, such as extending parental leave to eight weeks.
6. That Government provides increased funding for pre-marriage 7-education.
7. That Government provides support for families, including single parent families, to maintain healthy relationships
8. That Government provides increased support for women and children escaping domestic violence, including adequate housing and financial support, particularly in the period immediately after separation.
9. That Maternity Payments be paid in four fortnightly instalments following the birth of the child.
10. That Government, in consultation with the community services sector, develops a framework to address the barriers faced by single parents who wish to return to work. The strategy will need to focus on:
 - acknowledging that some parents opting to look after their children themselves is a benefit rather than a burden to society and should be supported in their choice;
 - affordability and accessibility of childcare; and,
 - access to education and training.

- 11.** That Government develops a strategy to assist parents in 'work poor' couple families to return to the workforce through training initiatives.
- 12.** That Government develops a strategy to reduce early school leaving.
- 13.** That Government underwrites widespread access to affordable and accessible childcare.
- 14.** That Government investigates 'childcare credits' for mature Australians who are engaged in the provision of unpaid childcare rather than other forms of paid work.
- 15.** That Government ensure grandparents continue to be supported through appropriate benefits and formal child (respite) care where necessary.
- 16.** That recipients of social security payments have a guaranteed return to income support in situations where they have trialled employment and the job is found to be unsuitable, particularly for reasons including the impact on the welfare of dependant children.
- 17.** That research into the impact of losing access to other benefits by people moving off social security benefits (eg rent assistance, Health Care Card) is conducted.
- 18.** That assistance provided under family payments is better targeted to meet the needs of low income families by:
 - better linking the level of financial assistance to the cost of raising a child;
 - linking family payments to movements in average incomes; and,
 - better data on the socio-economic characteristics of families having children.
- 19.** That Government reviews the tax free threshold, taper rates, effective marginal taxation rates and income test stacking to maximise incentives to move from income support payments to increased participation in paid work.

KEY ISSUES

THE CATHOLIC TRADITION AND FAMILY

The Catholic Church has always upheld the importance of the family as the primary source of support and formation for individuals. In addition to its advocacy of the values that underpin the promotion of the family, the Church also sees the extrinsic merit of the family as an agent of social cohesion. From a Catholic perspective, the support of family life and all that this entails is an indicator of the real prosperity of any society.

In their Pastoral Statement for the *International Year of the Family* in 1994 the Australian Bishops affirmed the pivotal role of the family as the foundation of the cultural, economic and social life of the community. In this document the ideals of family life were encouraged, but it was also acknowledged that there are many different types of families within society.

The Australian Bishops have always made it clear that concern is shown to all members of the community, especially those who may be experiencing a high level of personal distress. Through their pastoral care to all in need, the leaders of the Church in this country have indicated that they are deeply committed to providing a range of supports for families, as there are benefits for the whole community when family life is enabled to flourish.² The care of families must not only be left to the private domain, but is also the responsibility of legislators and service providers. The Australian Bishops were also very aware of the need for the public sector to provide support for families when they stated:

*In a social-democratic country like Australia, it is the responsibility of legislatures, other public authorities and community services to provide families with appropriate moral and material support.*³

RAISING A FAMILY IS WORK

The discussion of family and work as separate entities that require balance could be considered to imply that those tasks undertaken in the maintenance and raising of a family are not work. Catholic Welfare Australia is concerned with this emphasis and considers the rearing of and caring for children, the care of elderly and disabled relatives, and energy invested in building family and civic life, as the most important work an adult can undertake. Rather than relegating family life to something that should be balanced alongside paid employment, Catholic Welfare Australia believes it should be supported as the very important role in community life that it is.

Catholic Welfare Australia acknowledges that work is important to human dignity and that every person should have the right to meaningful work.⁴ However, the Government's current Workforce Participation agenda which constantly reinforces the position that people should move from welfare to work tends to promote the view that paid work is the only worthy or valuable goal. With this in mind, Catholic Welfare

² Australian Catholic Bishops' Conference, 1993, *Families Our Hidden Treasure: A Statement of Family Life in Australia*, Aurora Books, Melbourne.

³ *ibid*

⁴ *Laborem Exercens (On Human Work)*, 1981, *Encyclical Letter of Pope John Paul II*, St. Paul Publications.

Australia is concerned that being a stay-at-home parent/carer will never have the status it deserves and so will always be a secondary option.

In a recent study undertaken at Monash University⁵, researchers aimed to establish what the attitudes of various groups in contemporary Australia were to *Families, Fertility and the Future*. The study found that:

*While most of the women indicated that they personally felt it was a positive and important job, even if they were not planning to become mothers, they recognised that mothers were not accorded a high status position and that their social contribution was not always valued.*⁶

VALUING THE WORK OF FAMILIES

A major challenge in the balance of work and family life and the Government's workforce participation agenda focuses on how we as a society value the work of families as a contribution to social development. Families are much more than units of consumption within industrial market economies – a myth that Cass and Cappo sought to dispel in their paper *Families: Agents and beneficiaries of socio-economic development*. They note that:

*...much has been said, and correctly, about the key role of supportive public policies that recognise that the work and functions of families are not private matters but generative of public goods and public benefits, in particular the public good of childcare and child development.*⁷

Noting findings outlined in an OECD Economic Studies paper by Chadeau in 1992, Cass and Cappo said that 'it is also crucial to emphasise the reciprocity and multidirectional nature of these resource flows: the vast production and distribution of goods and services generated within and between families and their contribution to both economy and society'.⁸

ATTITUDE CHANGE WITHIN SOCIETY

Further to this, Hugh Mackay describes the current generation of Australians as the 'keep-your-options-open' generation. He states that '...members of the Options generation will typically say 'this is great, but what else is there?' Such an attitude is not conducive to early marriage or, indeed, early parenthood...'⁹ Human Rights and Equal Opportunity Commission (HREOC) reinforces this by acknowledging that there is a wide combination of choices available to and taken up by women in how they balance their family and work. They suggest that one of the most significant features

⁵ Dever, M., Maher, J., Curtin, J., & Singleton, A., 2004, *Families, Fertility and the Future: Hearing the Voices of Australians*, Monash University, available online at <http://www.arts.monash.edu.au>

⁶ *ibid*

⁷ Cass, B. & Cappo, D., 1995, *Families: Agents and beneficiaries of socio-economic development*, Australian Catholic Social Welfare Commission Occasional Paper No. 3, July 1995

⁸ *ibid*

⁹ Mackay, H., 2005, *Social Disengagement: A Breeding Ground for Fundamentalism*, Annual Manning Clark Lecture, available online at <http://www.abc.net.au/m/bigidea>

over the course of this generation is the change in women's expectations from family focused to a family and work focused approach to life planning.¹⁰ Martin also reinforces this by suggesting that women aged 15 to 24 who are engaged in education are less likely to be available for child bearing and rearing.¹¹ HREOC recognises however, that for some families '...their combination of work and family responsibilities will be a matter of necessity. Some choices will simply not be available.'¹²

Against this background, Catholic Welfare Australia puts forward the following information addressing the Terms of Reference of the Inquiry.

TERMS OF REFERENCE

1. The financial, career and social disincentives to starting families

The socio-economic impact

When considering partnering and fertility, it cannot be separated from other socio-economic factors. This is evidenced through fluctuations to the Total Fertility Rate (TFR) in Australia over the last 30 years. Martin demonstrates that changes to the TFR are linked to changes in Gross Domestic Product and unemployment. He says:

Changes in the prevalent economic conditions appear to be associated with changes in the fertility rate. While the TFR in Australia has been trending downwards consistently over the past 25 years, years of negative economic growth are associated with particularly pronounced declines. Conversely, when strong and sustained economic growth is observed, a slower rate of decline in the TFR is also observed. The tail end of periods of sustained economic growth appears to correspond to some increases in the TFR.¹³

With the strong economic conditions in Australia in 2005, the current 'spike' in fertility figures could be seen to follow previous trends (see Figure 1) where increases in fertility rates occurred in 1985 and 1992, periods immediately following an upturn in the economy. Martin cautions that these conclusions can be drawn from looking at the macro-level data. It is suggested that as fertility rates are closely related to demographic variables (for example, income, education level) that future research is needed to investigate the impact of economic changes on fertility rates in different demographic categories.¹⁴

¹⁰ Human Rights and Equal Opportunity Commission, 2002, *A Time to Value: proposal for a national paid maternity leave scheme*, available online at http://www.hreoc.gov.au/sex_discrimination/pml2/index.ht

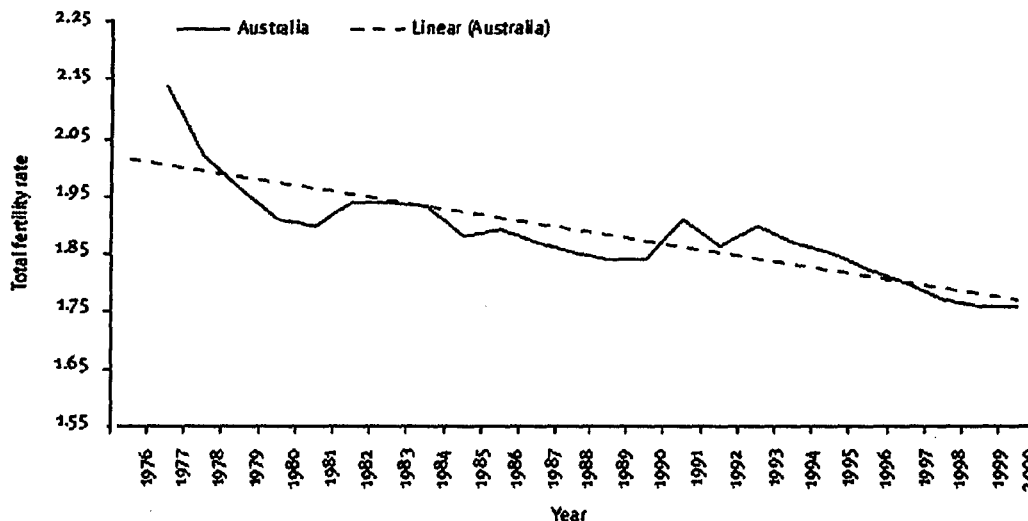
¹¹ Martin, J., 2003, *The Ultimate Vote of Confidence: Fertility rates and economic conditions in Australia, 1976-2000*, Australian Social Policy 2002-03, available online at <http://www.facs.gov.au>

¹² Human Rights and Equal Opportunity Commission, 2002, *A Time to Value: proposal for a national paid maternity leave scheme*, available online at http://www.hreoc.gov.au/sex_discrimination/pml2/index.ht

¹³ Martin, J., 2003, *The Ultimate Vote of Confidence: Fertility rates and economic conditions in Australia, 1976-2000*, Australian Social Policy 2002-03, available online at <http://www.facs.gov.au>

¹⁴ *ibid*

Figure 1: TFR in Australia 1976-2000 with (linear) trend line



Notes: Certain economic figures are available for financial years, while TFRs are only available for calendar years. When the two are compared, the TFR figure relates to the calendar year corresponding to the latter of the two financial years (that is, TFR 1989, unemployment 1988-89).

Source: ABS 2001, cat. no. 3105.0.65.001 cited in Martin¹⁵

Currently, no national data is collected at the time of a child's birth on the socio-economic, educational or occupational characteristics of the child's family. We acknowledge that as part of the census every four years, information is collected regarding the number and age of people in a household and the household incomes.¹⁶ While the ABS has informed Catholic Welfare Australia that crude figures could be established as to the household income of families having children, this would need to be extrapolated from information about familial socio-economic characteristics and the numbers of children in the family.¹⁷

The Australian Institute of Health and Welfare's (AIHW's) National Perinatal Statistics Unit publishes national reports on reproductive and perinatal health including pregnancy outcomes. However, the National Perinatal Minimum Data set does not include information on the socio-economic characteristics of new mothers.¹⁸

Particularly for poor families, the reliance on Government support during the years when children are young is vital. Better data on the socio-economic characteristics of families having children would assist in identifying the differing set of incentives to starting a family that are experienced by people on low-incomes, as opposed to middle and high-incomes. Data on family size in each socio-economic group would also assist in better targeting the assistance provided under the family payment system, which is discussed in greater detail below.

¹⁵ *ibid*

¹⁶ See ABS, 2003, *Births, Australia, 2003* available online at <http://www.abs.gov.au>

¹⁷ Australian Bureau of Statistics, 2005, personal communication

¹⁸ Australian Institute of Health and Welfare, 2004, *Australia's Mothers and Babies 2002*, p.80 available online at <http://www.aihw.gov.au>

Recommendation 1

That information on the socio-economic characteristics of mothers and households is collected at the time of the child's birth.

Decline in marriage rates for low-skilled men

Low-skilled men have experienced a decline in marriage and partnership rates which means that fewer are able to consider starting a family.

Between 1986 and 2001, the number of men aged 30-34 who were partnered fell from 72% to 59%. However, the greatest fall was amongst men with low-incomes and low education levels. Over this same period of time, the number of men without post-school qualifications who were partnered fell by 16%, from 68% to 52%. In contrast, the number of men with tertiary qualifications who were partnered also fell, but only by 9%, from 72% to 63%. This fall in the partnering rate of men with low skill levels is significant, because nearly half of all men aged in their late twenties and early thirties have no post-school qualifications.

There has also been a similar fall in the marriage rates of low skilled women. In 1986, 77% of women with low skill levels were partnered compared to 70% in 2001. At the same time the partnership rates of women with degrees remained steady, only falling from 70% in 1986 to 67% in 2001.¹⁹

The decline in the partnering rate of low skilled men, and to a lesser extent women, reflects the issues that couples identify as important in deciding whether or not to have children. According to research conducted by the Australian Institute of Family Studies (AIFS), the ability to afford a child is the most important issue to couples when deciding whether or not to start a family. This was considered a significant issue by 65% of men and 67% of women.²⁰ Also highly rated highly was the male partner's job security. This was the fourth most important factor for women and the fifth most important factor for men. This appears to suggest that men and women look for, and aspire to be, a partner that has a good income and secure employment.

Given this, if low skilled men are to have the same opportunity in life to partner and start a family, then the Government needs to address the ability of these individuals to compete for employment. At the same time as the partnership rates for low-skilled men and women have fallen, the number of men in full-time employment has also fallen sharply. Australia now has the highest proportion of working men who are employed part-time. Part time employment accounts for nearly 17% of the overall male workforce.²¹ There has also been a strong fall in blue collar employment from 63% of all male employment in 1971 to 46% in 2000.²²

¹⁹ Birrell, Rapson, Hourigan, 2004, *Men and Women Apart*, pp.15 - 17, 31

²⁰ Weston, Qu, Parker and Alexander, 2004, *Its Not for Lack of Wanting Kids*, pp.12, 126

²¹ Booth and Wood, 2004, *Back to front down under? Part-time/full-time Wage Differentials in Australia*, p.iii

²² Keating, 2005, *Increasing employment participation in Australia and how to finance it*, p.4

Catholic Welfare Australia believes that a national training strategy is needed to increase the ability of low-skilled individuals to compete for employment. There have been a number of recent calls for this type of strategy, including from the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, which recommended in its report on workforce participation that:

*the Australian Government establish, as a priority, a ... co-ordinated long-term strategy, including a series of newly funded programs and defined outcomes, to address national skill shortages.*²³

A national training strategy would also complement recent calls by Government to increase the level of workforce participation and address concerns about national skill shortages.

Recommendation 2

That Government works with business, the community sector and other relevant organisations to develop a national training strategy targeted at early school leavers and individuals with low skill levels.

Fall in housing affordability for low-income earners

A strong financial disincentive to starting a family for low-income earners is the recent fall in the affordability of housing.

Fewer lower income earners are now able to afford to purchase their own home. Between 1998 and 2004, housing costs as a percentage of disposable income for people who bought their first home in the last three years rose from 30% to 39%. At the same time the percentage of first home owners who are in the bottom 40% of income earners remained static, falling from 15% to 13%.²⁴ More than half of all couples buying their first home have two incomes, and 40% of these couples both work full-time.²⁵

There has also been a decline in the affordability of private rental housing. Between 1996 and 2001, there was an 8% fall in the number of dwellings renting for less than \$235 per week. There are now shortages of affordable rental accommodation for low-income households in all metropolitan regions other than Hobart.²⁶ Households in the bottom 20% of incomes spend on average 64% of their income on housing costs.²⁷

²³ House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, 2005, *Working for Australia's future*, p.xxii

²⁴ Harding, Phillips and Kelly, 2004, *Trends in Housing Stress*, p.14

²⁵ Productivity Commission, 2004, *First Home Ownership*, p.245

²⁶ Yates, Wulff, Reynolds, 2004, *Changes in the supply of and need for low rent dwellings in the private rental market*, p.13

²⁷ ACOSS, *Submission to the Productivity Inquiry into First Home Ownership*, p.7

The fall in housing affordability is highly likely to be acting as a disincentive to starting a family. Purchasing a home is something to which many Australians aspire, but the fall in affordability of housing means that many people now purchase their first home, and start a family, later in life.

Around 80% of households prefer to own their own home rather than rent²⁸. However, the average age at which Australians purchase their first home has risen from 27 years in 1982 to 32 years in 1996²⁹, while the home ownership rate of 25 to 34 year olds fell from 65% in 1976 to 48% in 1999.³⁰ At the same time, there has been an increase in the age at which people commence having a family. The median age at which women fall pregnant has increased from 25.4 years in 1971 to 30.5 years in 2003. Consistent with this trend, the fertility rates of women aged 20-24 have halved over the last 20 years, and the fertility of women aged 35-39 has doubled.³¹

There are a number of initiatives available to Government that would increase housing affordability for low-income earners. The Productivity Commission recommends that assistance under the first home owners grant could be better targeted by means-testing the payment, and introducing a commensurate increase in the size of the grant.³² The first home owners grant 'has done little for lower income groups since it leaves monthly mortgage payments unaffected'.³³ While the first home owners grant may provide assistance initially, the ongoing need to make mortgage payments still remains an obstacle for low income earners.

Catholic Welfare Australia supports the Productivity Commission's recommendation for a national public inquiry to examine the housing needs of low income households across Australia, including in Indigenous communities and the nature and extent of assistance to help meet those needs.³⁴ This investigation should include other mechanisms such as capital gains tax and negative gearing which may also work to artificially inflate housing prices and further compound the disadvantages faced by low income earners.

There is also significant scope to improve the rental assistance program, the major form of assistance to people on low-incomes in the private rental market. Currently, couples and singles without children who are eligible to receive rent assistance could not afford to rent any type of dwelling in either Sydney or Melbourne.³⁵

²⁸ Baum, Wulff, 2003, Housing Aspirations of Australian Households, p.4

²⁹ Rodrigues, First Home Buyers in Australia, available on-line at http://www.treasury.gov.au/documents/780/RTF/02_Home_Buyers.rtf, p.14

³⁰ Baum, Wulff, 2003, Housing Aspirations of Australian Households, p.8

³¹ ABS, 2003, Births, pp.6, 11

³² Productivity Commission, 2004, First Home Ownership, p. xxxii

³³ Saunders, 2005, After the House Price Boom, Policy, vol.21, no.1, p.7

³⁴ Productivity Commission, 2004, First Home Ownership, p. xxxii

³⁵ Brotherhood of St Laurence, 2003, Housing stress: how of low-income households fared during the housing boom, Changing Pressures, no.12, February, p.2

Recommendation 3

That Government addresses the affordability of housing for low-income earners by:

- better targeting the assistance provided under the first home owners grant;
- providing access to lower cost housing to low income earners; and
- improving the ability of the rental assistance program to address housing stress

Parent out of the workforce for a period of time

Another one of the major barriers to starting a family is that having a family typically necessitates one parent being out of the workforce for a period of time. HREOC notes that for mothers:

...childbirth and the period shortly after constitute significant periods of absence from the workforce or reduced labour force activity...Women have high levels of attachment to the labour force in their prime child bearing years. Currently 70.8 per cent of women aged 25-34 participate in the labour force.³⁶

From a career perspective, time out of the work force often makes returning difficult. This is especially so in industries where technological changes occur rapidly.³⁷ Because of this, the parent staying at home to care for the children is often disadvantaged in the workplace. Catholic Welfare Australia believes it is critical that the Government acknowledges this necessary time and supports parents to return to the work force with the training that will aid the transition back to work.

However, this is not simply an issue for women, as when it comes to raising a family women cannot be considered independently from the family unit. The United Nations Economic Commission for Europe notes that adding a child to a family reduces the economic wellbeing of the family for a sustained period of time.³⁸ HREOC goes on to describe that families face rising living costs and aim to provide improved living conditions for their children, yet with casualisation of the workforce and employers increasing inclination for offering temporary contracts, family income today is less certain than it has been for past generations.³⁹

³⁶ Human Rights and Equal Opportunity Commission, 2002, *Valuing Parenthood: Options for paid maternity leave - Interim paper*, available online at http://www.hreoc.gov.au/sex_discrimination/pml/index.html

³⁷ Australian Computer Society, 2005, *Policy Statement on Work Life*, available online at <http://www.acs.org.au>

³⁸ United Nations Economic Commission for Europe, 2000, *Fertility decline in the transition economies, 1989-1998: Economic and social factors revisited*, in *Economic Survey of Europe 2000*, available online at <http://www.unece.org>

³⁹ Human Rights and Equal Opportunity Commission, 2002, *A Time to Value: proposal for a national paid maternity leave scheme*, available online at http://www.hreoc.gov.au/sex_discrimination/pml2/index.html

For couples struggling to make a living with casual jobs, as is often the case for poorer families, the impact of one person leaving the workforce for even a short period of time is diabolical. In the casual labour workforce, needing to take time off may mean needing to resign rather than being able to access unpaid maternity leave:

Women who do not have sufficient service with one employer and casual employees not covered by a federal award or relevant State legislation will have no right to unpaid maternity leave and may be forced to resign in order to give birth to and care for their child. Women's workforce participation is characterised by their part time and casual employment, making eligibility for unpaid leave particularly difficult.⁴⁰

The workforce is increasingly dominated by part-time and casual employment and it may be timely to begin investigating the prospect of making certain employee entitlements portable, such as family leave and long service leave, so that these entitlements become linked to the individual as opposed to the place in which they work. The additional benefit of such a system would be that the accrual of these entitlements would provide additional incentive for those in part time and casual roles, and those entering and exiting the workforce due to family responsibilities.

In support of family and the non-primary carer, often the father, initiatives such as an extension from one week to eight weeks simultaneous parental leave should be considered. This would provide an opportunity for both parents to care for their newborn child and to assist with the adjustments to the emotional and practical changes to their lives.

Catholic Welfare Australia believes that families need to be protected during this critical time of childbirth and raising young children. This protection needs to be in the form of both financial support and labour force acceptance that parents will need time out.

Recommendation 4

That employers are encouraged to provide re-entry processes (for example, internal training programs) for those who have left the workforce due to family reasons.

Recommendation 5

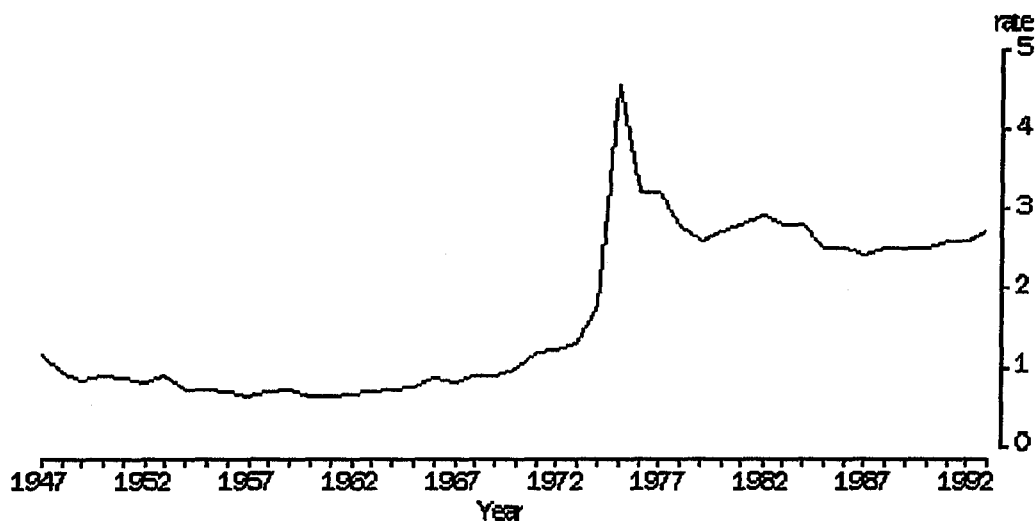
That Government considers initiatives to sustain the family through supporting the non-primary carer, such as extending parental leave to eight weeks.

⁴⁰ Human Rights and Equal Opportunity Commission, 2002, *Valuing Parenthood: Options for paid maternity leave - Interim paper*, available online at http://www.hreoc.gov.au/sex_discrimination/pml/index.html

High rate of relationship breakdown

The Australian Bureau of Statistics acknowledges that the extent of family breakdown is not easily measured as not all family dissolutions are registered as divorces; some married couples will separate but not formally seek a divorce and de-facto relationships are not registered so their breakdown cannot be tracked.⁴¹ However in 2000, roughly 46% of marriages were likely to end in divorce.⁴² Thirty years ago, before the introduction of the Commonwealth *Family Law Act 1975*, significantly fewer marriages were ending in divorce (see Figure 2).

Figure 2: CRUDE DIVORCE RATE (PER 1000 PEOPLE)



Source: Australian Bureau of Statistics⁴³

Martin comments that marriage and partnering still has an important role to play in fertility decisions, as most births in Australia continue to occur within the realm of marriage.⁴⁴ With fewer people marrying and more of those who do being involved in divorce, this then has an impact on the Australian fertility rate.

Support for marriage

As Catholic Welfare Australia discussed in our response to the Australian Government's Discussion Paper, *A New Approach to the Family Law System Implementation of Reforms*⁴⁵, one of the first ways of addressing this problem is

⁴¹ Australian Bureau of Statistics, 1995, *Family - Family Formation: Trends in Marriage and Divorce*, Australian Social Trends 1995, available online at <http://www.abs.gov.au/Ausstats/abs@.nsf/0/85de28d197cb4a29ca2569ee0015d89e?OpenDocument>

⁴² Australian Bureau of Statistics, 2000, *Marriages and Divorces, Australia, 1999*, available online at <http://www.abs.gov.au>

⁴³ Australian Bureau of Statistics, 1995, *Family - Family Formation: Trends in Marriage and Divorce*, Australian Social Trends 1995, available online at <http://www.abs.gov.au/Ausstats/abs@.nsf/0/85de28d197cb4a29ca2569ee0015d89e?OpenDocument>

⁴⁴ Martin, J., 2003, *The Ultimate Vote of Confidence: Fertility rates and economic conditions in Australia, 1976-2000*, Australian Social Policy 2002-03, available online at <http://www.facs.gov.au>

⁴⁵ Catholic Welfare Australia, 2005, *Response from Catholic Welfare Australia to the Australian Government's Discussion Paper, A New Approach to the Family Law System, Implementation of Reforms*

ensuring that marriages are supported strongly through avenues such as pre-marriage education. The most effective way of supporting pre-marriage education is to make it a priority and support it with funding that reflects its importance. In the 2003/2004 financial year, the Federal Government's national contribution to this important activity was only \$3.5 million.⁴⁶ Although parliamentary inquiries have established this is not enough, the struggle to maintain this work continues.⁴⁷ Most of the activity that occurs in this area is paid for through Church and client contributions.

Recommendation 6

That Government provides increased funding for pre-marriage education.

Parental self-reliance

There is also the suggestion that the increased likelihood of family breakdown may encourage more women to value self-reliance through remaining attached to the workforce during their childbearing years.⁴⁸ This is more likely to be a necessity rather than a real choice for many. In 2005, approximately one in five families with dependant children are single parent families. In many cases the expectation is that this sole parent, typically the mother, will also be the primary income earner.⁴⁹ This societal fixation on self-reliance takes the focus away from family as the long-term basic unit of support. Catholic Welfare Australia believes that the health of Australian families needs to be prioritised.

Recommendation 7

That Government provides support for families, including single parent families, to maintain healthy relationships.

Domestic Violence

A recent Access Economics report, drafted for the Australian Government Office of the Status of Women, showed that domestic violence is the biggest single health risk factor for women aged between 15 and 44 years of age. It is also the biggest single cause of early death or disability in women and the most significant cause of homelessness in women.⁵⁰ Catholic Welfare Australia members, through their family relationship programs and other crisis support work, are frequently involved in providing services to both victims and perpetrators of domestic violence.

⁴⁶ Department of Family and Community Services, Family Relationships Education, available online at http://www.facs.gov.au/internet/facsinternet.nsf/family/fre-family_relationships_education.htm

⁴⁷ House of Representatives Standing Committee on Legal and Constitutional Affairs, *To Have and To Hold: A report on strategies to strengthen marriage and relationships*, Canberra, 1998.

⁴⁸ Human Rights and Equal Opportunity Commission, 2002, *Valuing Parenthood: Options for paid maternity leave - Interim paper*, available online at http://www.hreoc.gov.au/sex_discrimination/pml/index.html

⁴⁹ *ibid*

⁵⁰ Access Economics, 2004, *The Cost of Domestic Violence to the Australian Economy, Partnerships Against Domestic Violence*, available online at http://ofw.facs.gov.au/padv/docs/cost_of_dv_to_australian_economy_i.pdf

While it is well acknowledged that domestic violence is not just a problem of the poor, the Australian Office of the Status of Women includes women of low socio-economic status in the groups of women at high risk of experiencing domestic violence.⁵¹ Chung explains that '...they are more visible in the community because people with other financial means can use different means of escaping domestic violence.'⁵² This is further evidenced by recent research by the Australian Institute of Health and Welfare which showed that women accessing Supported Accommodation Assistance Program crisis housing because of domestic violence are the second highest group of people needing this assistance.⁵³

The Salvation Army report that:

*In most cases, the perpetrators of domestic violence are men. Males comprise over 98% of defendants where criminal charges are laid for domestic violence. This may be because women are less able physically to hurt a man, or because they lack financial independence, making them vulnerable to abuse of power.*⁵⁴

It is the experience of Catholic Welfare Australia members that government policies can have a critical impact on domestic violence, especially for the poor. The reports from within the network on the impact of the introduction of the Maternity Payments were quite startling, with the biggest impact being on those of lowest socio-economic status. As one staff member reported 'if you are earning \$100,000 you are not going to be affected by a \$3000 payment.' Our members noticed increased reporting of domestic violence as male partners sought to get access to the payments made to mothers. There were also reports of young women clients considering becoming pregnant to access the \$3000 Maternity Payment.

Catholic Welfare Australia believes that a better distribution of Maternity Payments would have been over a number of payments rather than in a lump sum. This would have the added benefit of providing the necessary ongoing support of children that is required rather than just focus attention on the time immediately following birth. Given our sector's experience of the impact of these payments, the potential increase in the Maternity Payment whilst welcome, should most certainly be paid in instalments.

The implications that quickly implemented policies, such as the Maternity Payment, can have significant impact on certain sectors of the community. It is essential that policies are carefully filtered through extensive consultation for unexpected consequences that may result in increased costs to rectify the problems.

⁵¹ Australian Government Office of the Status of Women, 2004, Rate of Domestic Violence, Domestic Violence Help, available online at <http://ofw.facs.gov.au/padv/03/info3.html>

⁵² Chung, D., 2005, Domestic violence cost put at \$8b, interview on The 7.30 Report, Australian Broadcasting Corporation, available online at <http://www.abc.net.au/7.30/content/2005/s1328611.htm>

⁵³ Australian Institute of Health and Welfare, 2005, Homeless People in SAAP: SAAP National Data Collection Annual Report 2003-04, available online at <http://www.aihw.gov.au/publications/hou/saapndcar03-04/saapndcar03-04.pdf>

⁵⁴ The Salvation Army, 2005, Domestic Violence Fact Sheet, Publications, available online at <http://www.salvos.org.au/SALVOS/NEW/me.get?SITE.sections&FFFF347>

Recommendation 8

That Government provides increased support for women and children escaping domestic violence; including adequate housing and financial support particularly in the period immediately after separation.

Recommendation 9

That Maternity Payments be paid in six fortnightly instalments following the birth of the child.

2. Making it easier for parents who so wish to return to the paid workforce

Catholic Welfare Australia believes that some parents, including single parents, will decide in the best interests of their children and their families to remain out of the workforce for extended periods of time. Society has a role to play in supporting this decision. Furthermore, mutual obligation activities designed to increase workforce participation should not disadvantage parents who make this important decision.

For those returning to the paid workforce, Catholic Welfare Australia believes that this issue goes beyond the ability of mothers to return to the workforce in the years after the birth of a child and needs to be considered in terms of the distribution of work amongst families with dependant children.

The number of households with dependant children which are 'work poor', that is where either no adult is in paid employment, or only one adult is in part-time work, has increased significantly over the last two decades. In 1983, 16.2% of families with dependant children were jobless, this increased slightly to 16.9% of families in 2003. However, the number of families with only one-adult in paid employment increased from 3.3% in 1983 to 8.9% in 2002. When these figures are combined, the number of 'work poor' families increased from 19.5% in 1983, to 25.8% in 2002. This is particularly concerning given that about 40% of parents employed part-time work for less than 14 hours a week.⁵⁵

The increase in 'work poor' families reflects changes in the labour market as well as changes in family structure. In particular, there has been a strong increase in the number of families with dependant children that are sole parent families. Between 1986 and 2001, the number of single parent families increased by 53%.⁵⁶

The ability of parents to return to the paid workforce differs according to their family situation. For this reason, distinctive strategies are need for single parents and for 'work poor' couple families.

⁵⁵ Renda, 2003, Polarisation of families according to work status, Family Matters, no.64, pp.20 - 21

⁵⁶ Healey, 2004, Sole Parent Families, Issues in Society, vol. 211, available on-line at http://www.spinneypress.com.au/211_book_desc.html

Single parent families

Around 20% of all families with dependant children are sole parent families⁵⁷. Sole parent families face a different set of issues when attempting to re-enter the workforce, because there is only one adult to manage work and home responsibilities without the support of a partner. For this reason, more than half (55%) of all sole parent families are jobless.⁵⁸

Single parents who do wish to return to the workforce need greater access to childcare. For the 77,000 sole parents citing family reasons as their main reason for not looking for work although they would like to work, around 75% said it was due to childcare (for example: not available, too expensive) that they did not. With 17.5% stating they would prefer to look after their child/ren themselves.⁵⁹

Single parents who are in the workforce are the most likely to make use of formal and informal childcare. Almost three-quarters (74%) of employed single parents used some form of childcare.⁶⁰ Childcare is discussed in detail below.

Single parents also need greater access to education and training. Almost half of sole parents aged 30-34 and around a third of those aged 25-29 have no post-school qualifications. In contrast, 10% of sole parents aged 30-34 and 3% of those aged 25-29 have a bachelor degree or higher qualification.⁶¹

Apart from a recently announced pilot to encourage single parent pensioners to take part in Work for the Dole⁶², the Australian Government does not currently have a framework to address the barriers faced by single parents to return to the workforce. This framework would need to address issues including childcare and access to education and training.

Recommendation 10

That Government, in consultation with the community services sector, develops a framework to address the barriers faced by single parents who wish to return to work. This strategy will need to focus on:

- acknowledgment that some parents opting to look after their children themselves is a benefit rather than a burden to society and should be supported in their choice;
- the affordability and accessibility of childcare, and
- access to education and training.

⁵⁷ ABS, 2003, Family Characteristics Survey, available online at <http://www.abs.gov.au>

⁵⁸ ABS, 2004, Australian Social Trends 2004, pp.46 – 47, available online at <http://www.abs.gov.au>

⁵⁹ ABS, Persons Not in the Labour Force, September 2004: Lone parents with Marginal Attachment by main reason for not actively looking for work.

⁶⁰ ABS, 2002, Childcare, p.7, <http://www.abs.gov.au>

⁶¹ Birrell, Rapson, Hourigan, 2004, *Men and Women Apart*, p.29

⁶² Dutton, 'Pilot Program to help Parenting Payment recipients back into work', 6 March 2005

Changes in the distribution of work amongst couple families with dependant children

Over the last two decades, there has been a polarisation in the distribution of work between families into 'work poor' and 'work rich' families. While there was a slight increase in the number of couple families where both parents are employed full-time, there was significant fall in the number of families with only one parent in paid employment, from 49.4% to 31.7%. There has also been no change over the last 20 years in the number of families which are 'work poor', that is families which are either jobless or where only one parent is employed part-time (see Table 1).

Table 1: Changes in the distribution of work between couple families

Percentage of couple families where:	1983	2002
Both parents are employed full-time	17.0	21.9
One parent is employed full-time and the other part-time	22.6	35
Only one-parent employed	49.4	31.7
Only one-parent employed part-time	2.1	4.2
Neither parent is employed	8.8	7.2
Neither parent is employed or only one parent is employed part-time	10.9	11.4

The polarisation of the distribution of work amongst couple families has been driven by two trends. First, there has been a much greater increase in the level of part-time employment for couple mothers with employed partners, than for those with non-employed partners. Between 1983 and 2002, the rate of part-time employment of couple mothers with employed partners increased by over 14%, from 25.6% to 39.7%. In contrast, part-time employment for couple mothers with non-employed partners only increased from 8% to 16.9%.

Secondly, there has been a much greater fall in the level of full-time employment of couple fathers with non-employed partners, than for men with employed partners. Between 1983 and 2002, the full-time employment rate of couple fathers with non-employed partners fell from 82.5% to 74.3%. In contrast, for couple fathers with employed partners, the full-time employment rate only fell from 93.8% to 87.6%.⁶³

A Workless Family Pilot was trialed by the Australian Government in 2001. The pilot involved a sample of 995 Newstart Allowance (NSA) recipients, 90% of which were male, 1796 Parenting Payment Partnered (PPP) recipients, 91% of which were female and a number of Parenting Payment Single (PPS) recipients. Only the findings for NSA and PPS participants are considered here. The trial found that 'work poor' couple families have a number of distinctive characteristics. While many families had actively looked for work, most rated their chances as only fair to poor. In particular:

- around three-quarters of NSA recipients and one-third of PPP recipients had looked for work in the last two months, but only 12% of NSA recipients and 6% of PPP recipients had found work. Only 35% of NSA recipients and 21% of PPP recipients had an interview;

⁶³ Renda, 2003, *Polarisation of families according to work status*, Family Matters, no.64, pp.16 - 21

- about two-thirds of participants rated their chance of finding a job as fair, poor or very poor. Participants cited their age and lack of skills as the two main factors affecting their chance of finding a job; and
- where parents had worked in the past two months, more than 90% were employed as casuals.

'Work poor' families are also characterised by very low skill levels. Between 60% and 74% of participants surveyed had schooling to Year 10 or less. This is a very significant level of disadvantage compared to the rest of the population. Only 25% of work poor families had completed Year 12, compared to 62% of the remainder of the working age population. Only about one in six had post-school qualifications, compared to 44% of the general Australian population of working age.⁶⁴

Since the Workless Families Pilot was trialed in 2001 no strategy has been developed to identify how parents of these families can be assisted to return to the workforce. Given the high levels of disadvantage experienced by these families and that there has been no change in the number of 'work poor' families, strategies are needed to engage these families in the workforce. Such a strategy would particularly need to address the very low skill levels faced by these families and early school leaving.

Recommendation 11

That Government develops a strategy to assist parents in 'work poor' couple families to return to the workforce through training initiatives.

Recommendation 12

That Government develops a strategy to reduce early school leaving.

Childcare

Why people use childcare

In terms of family/work balance, it is interesting to consider the reasons parents utilise childcare. In an Australian Bureau of Statistics report into childcare in Australia, 50% of children accessed formal childcare because of their parents work; this accounted for 84% of children at before and after school care programs, 60% of those attending family day care and 55% of children attending long day care.⁶⁵ In these cases the primary consideration was not necessarily the development of the child but necessity for the parent. This was also the case for 46% of children using

⁶⁴ Department of Family and Community Services, 2002, *Welfare Reform Pilots: Characteristics and participation patterns of three disadvantaged groups*, Occasional Paper no. 5, 2002, pp.115 - 159

⁶⁵ Australian Bureau of Statistics, 2003, *Child Care, Australia*, available online at <http://www.abs.gov.au/Ausstats/abs@.nsf/Lookup/7D0F3D1C0AD1B230CA2568A90013933F>

informal care. In comparison, the benefits for the child were given as the reason for 73 percent of preschool attendance and 37 percent of occasional care.

Difficulties with childcare

Childcare is a critical issue for families. Currently in Australia childcare is difficult and expensive to access. This instantly disadvantages the poor. In the Senate Community Affairs Reference Committee report into poverty, witnesses described that increased childcare subsidies had not kept pace with fee increases. This was especially so in the long day care sector. The Committee states that 'Women on low incomes still find the gap between the cost of care and the Child Care Benefit prohibitive.'⁶⁶

The Department of Family and Community Services reported on the gap in childcare costs in 2002 for a family with one child in 50 hours of care with a family income of \$30,000 per annum. The average full-time weekly gap between the cost of care and the Child Care Benefit for long day care could range between \$45 and \$75 a week depending on the Australian State/Territory in which the family lived.⁶⁷

The Senate Community Affairs Reference Committee report into poverty goes on to describe that access to childcare places is also problematic. With restricted numbers of places available, competition for the places that do exist increases the price. Once again this disadvantages those with lower incomes.⁶⁸

With increased casualisation and flexibility of the workforce, the need for childcare in the evenings, nights or on weekends has also increased. This increased need has not been reflected within the childcare sector with most childcare facilities still open between 8am to 6pm Monday to Friday.⁶⁹

International Comparisons

In a recent presentation, Castles compared access to public and private childcare and duration and replacement rates of publicly provided maternity leave across the OECD area (see Table 2).⁷⁰ Australia has some of the lowest rates of public childcare for children aged less than three years. We are also one of the few OECD countries that do not have public maternity leave schemes. Without access to public childcare, there is very little hope, or in fact incentive, for poor families to truly enter the workforce.

⁶⁶ Senate Community Affairs Reference Committee, 2004, *A hand up not a hand out: Renewing the fight against poverty*, Report on poverty and financial hardship, The Senate, Parliament House, Canberra.

⁶⁷ Department of Family and Community Services, 2004, *The Cost of Child Care*, paper by Popple, J. & Martin, J., at the 8th Australian Institute of Family Studies Conference 2003, available online at <http://www.aifs.gov.au>

⁶⁸ Senate Community Affairs Reference Committee, 2004, *A hand up not a hand out: Renewing the fight against poverty*, Report on poverty and financial hardship, The Senate, Parliament House, Canberra.

⁶⁹ Senate Community Affairs Reference Committee, 2004, *A hand up not a hand out: Renewing the fight against poverty*, Report on poverty and financial hardship, The Senate, Parliament House, Canberra.

⁷⁰ Castles, F., 2004, *How Society Chooses – Policy and Values, Past and Future*, paper presented to Globalisation, Families and Work: Meeting the Policy Challenges of the Next Two Decades, Families Australia Conference, Brisbane, April 1-2, 2004, available online at http://www.familiesaustralia.org.au/conference_docs/papers/Frank%20Castles%20final.doc

Table 2: Family-friendly Policy in the 1990s

	Childcare (Percentage of 0-3 Age Group)		Paid Maternity Leave	
	Public + Private	Public	Weeks	% Wage
Australia	15	2	0	0
Canada	45	5	15	55
Ireland	38	2	22	80
New Zealand	45	-	0	0
United Kingdom	34	2	18	44
United States	54	1	0	0
Family Mean	38.5	2.4	9.2	29.8
Denmark	64	48	30	100
Finland	22	21	52	70
Norway	40	31	42	100
Sweden	48	33	64	63
Family Mean	43.5	33.3	47.0	83.3
Austria	4	3	16	100
Belgium	30	30	15	77
France	29	23	16	100
Germany	10	2	14	100
Netherlands	6	8	16	100
Family Mean	15.8	13.2	15.4	95.4
Greece	3	3	16	50
Italy	6	6	14	70
Portugal	12	12	24	100
Spain	1	2	16	100
Family Mean	5.5	5.7	17.5	80.0
Switzerland	-	-	16	-
Japan	13	-	14	60
Overall Mean	25.9	13	20.0	68.5

Notes and sources: Data in columns 1, 3 and 4 from OECD, 'Balancing Work and Family Life: Helping Parents into Paid Employment', *OECD Employment Outlook*, Paris, 2001a, 129-66 and is for the late 1990s. Data on publicly funded childcare is from or calculated from Daly, M., 'A Fine Balance: Women's Labor Market Participation in International Comparison', in Scharpf, F. W. and Schmidt, V. A. (eds) *Welfare and Work in the Open Economy*, Oxford: Oxford University Press, 2000, 488 and is for the early to mid 1990s.

Castles goes on to describe a relationship between access to formal childcare for children less than three years and both female employment and fertility across the OECD (see Figures 3 and 4).⁷¹ He states:

'Today, greater access to childcare facilities goes along with not only higher levels of female employment, but also higher levels of fertility... The best way of boosting fertility, of guaranteeing that there are families in the future, is not to encourage women to desert the labour force for the home, but rather to underwrite a widespread access to childcare, which makes it possible for women to do what so many appear to want: to combine satisfying long-term careers with family life.'

⁷¹ Castles, F., 2004, How Society Chooses – Policy and Values, Past and Future, paper presented to Globalisation, Families and Work: Meeting the Policy Challenges of the Next Two Decades, Families Australia Conference, Brisbane, April 1-2, 2004, available online at http://www.familiesaustralia.org.au/conference_docs/papers/Frank%20Castles%20final.doc

Figure 3; OECD Figures for Female Employment and Use of Formal Childcare

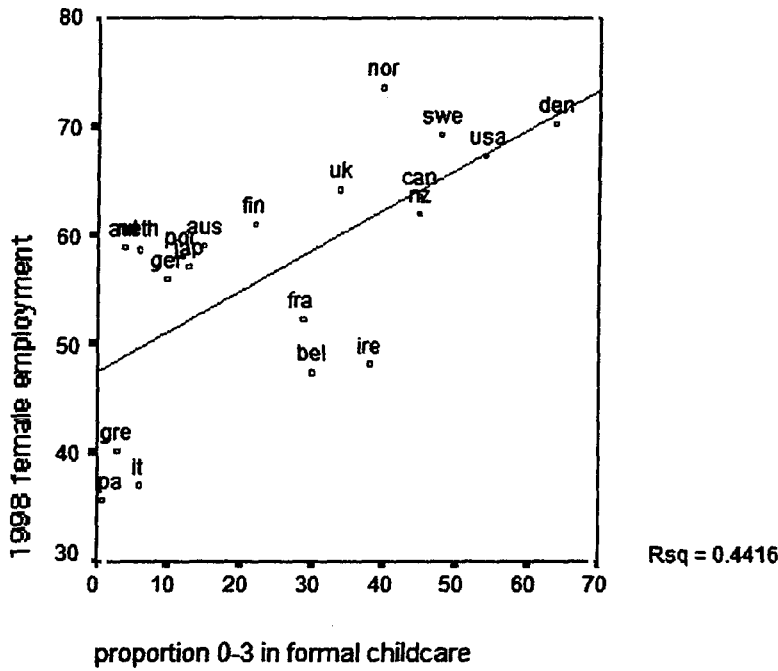
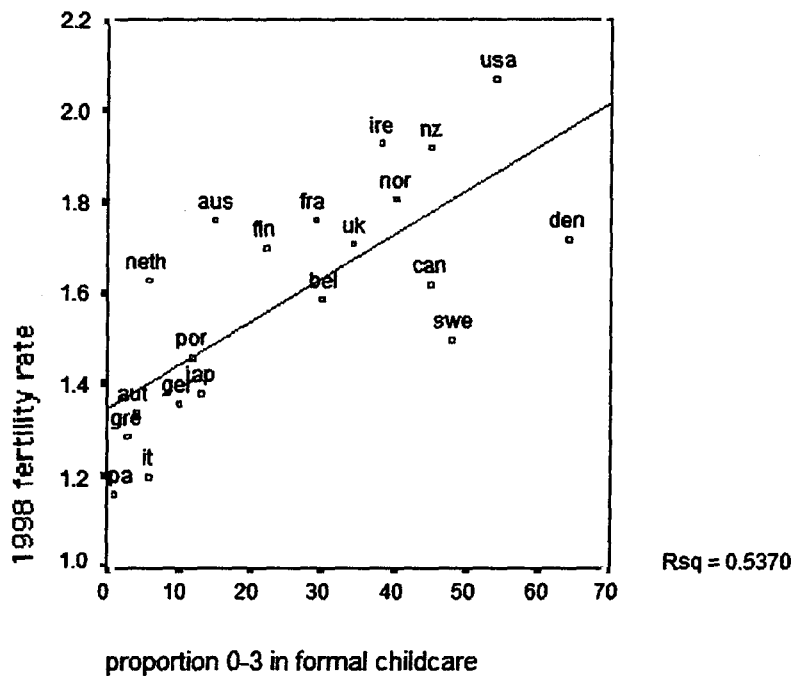


Figure 4: OECD Figures for Fertility Rates and Use of Formal Childcare



Recommendation 13

That Government underwrites widespread access to affordable and accessible childcare.

Grandparents as providers of childcare

Grandparents and extended family play an important role in the care of children; this is particularly so for sole parent households. For example in a recent study, 25% of couple households used some form of informal care while 45% of sole parent households utilised this childcare option. The vast majority for both couple and sole parent households used grandparents as their informal carers (80 percent for both household types).⁷² This suggests that grandparents are filling some of the gaps in childcare in our society.

While Catholic Welfare Australia acknowledges that grandparents will always want to be involved in their grandchildren's lives, it would be commendable if they had the choice to do this, rather than being forced through family necessity. This is particularly so for families on low incomes, who must rely on this care as they cannot afford formal care.

In light of the changing government position regarding mature aged workers and the promotion of older workers to stay in the paid workforce, some thought needs to be given to the social consequences. Catholic Welfare Australia suggests that consideration of 'childcare credits' for mature Australians who are engaged in the provision of unpaid childcare rather than other forms of paid work. These incentives need to recognise this important contribution that mature Australians make through provision of childcare.

Recommendation 14

That Government investigates 'childcare credits' for mature Australians who are engaged in the provision of unpaid childcare rather than other forms of paid work.

Grandparents as primary carers

Catholic Welfare Australia is pleased to see that the Australian Government is also starting to acknowledge the role of grandparents as primary carers.⁷³ This important work should render grandparents access to the same support mechanisms provided in society that parents receive. However, the rearing of children is physically and mentally demanding work, and the reality of being a grandparent is that the person is of an older age. Therefore, it may be necessary to provide additional services to grandparents which may not necessarily be required by those younger in years.

Recommendation 15

That Government ensure grandparents continue to be supported through appropriate benefits and formal child (respite) care where necessary.

⁷² Craig, L., 2004, *Time to care: A comparison of how couple and sole parent households allocate time to work and children*, SPRC Discussion Paper No. 133, Social Policy Research Centre, University of New South Wales, available online at <http://www.unsw.edu.au>

⁷³ Family Assistance Office, 2004, *Frequently Asked Questions*, available online at <http://www.familyassist.gov.au/internet/fao/fao1.nsf/content/faq-faq10-faq10b.htm>

Security of Social Security

While receiving income support may barely allow individuals to live a subsistence lifestyle, there is a security in receiving a fixed pension or allowance. It also allows for regular week to week income that can be budgeted. With the increased casualisation of the Australian workforce over the past 20 years, the availability and security of full time permanent jobs has decreased.⁷⁴ For the unemployed, the likelihood of their transition into the workforce is through receiving casual or part time work. The Brotherhood of St Laurence notes that while for some this may allow a further transition into full time work, for others the reality will be a series of short-term casual jobs interspersed with periods of unemployment.⁷⁵ They also describe that this fluctuation in work status brings with it other problems, as evidenced in this comment made by an interview participant:

*[I've got a] mobile phone debt, credit card [debt] - just because I went on the dole and I couldn't afford to make my repayments, basically... It's just that I could afford it at the time and then when I become unemployed, I couldn't afford it.*⁷⁶

Catholic Welfare Australia believes that for those on the margin of the workforce with children, the risk of being without benefits, without paid work, or without enough work to cover their financial commitments is dire. These are not people that typically have other resources they can utilise to survive through a period without income, so it is easy to understand that the safest solution may be to stay with social security benefits.

Re-entering the workforce also places further pressure on parents when crisis situations occur. Casual work does not allow for sick leave or family leave if a parent needs to stay at home with their child in an emergency. This can also be a problem for parents who find permanent work. Workers need to be in a job for a period of time in order to have access to leave entitlements, and accruing sick leave, parental leave and other entitlements is difficult in short term roles.⁷⁷

Recommendation 16

That recipients of social security payments have a guaranteed return to income support in situations where they have trialled employment and the job is found to be unsuitable, particularly for reasons including the impact on the welfare of dependant children.

⁷⁴ Borland, J. Gregory, B., & Sheehan, P., 2001, Inequality and economic change in Australia, in *Work Rich, Work Poor: Inequality and economic change in Australia*, eds J. Borland, B. Gregory & P. Sheehan, Centre for Strategic Economic Studies, Melbourne.

⁷⁵ Brotherhood of St Laurence, 2002, *Prekarious work, uncertain futures*, Changing Pressures No 10 March 2002.

⁷⁶ *ibid.*

⁷⁷ *ibid.*

Ability to access other benefits when receiving Social Security payments

In choosing to move from welfare to work, people also risk losing other benefits they rely on. Receiving social security payments allows people to access other benefits; for example receiving Newstart Allowance, also entitles the recipient to receive rent assistance, pharmaceutical allowance and a Health Care Card or Pensioner Concession Card.⁷⁸ Once again, this is a risk for the person involved and an even greater problem for them when they have children to support. A study conducted by Family and Community Services investigating the experiences of low income parents to balance work and family, they state:

*In focus group discussions, some mothers discussed the difficulties they experienced when their earnings meant they lost eligibility for Parenting Payment. Losing the Pensioner Concession Card and its associated concessions for transport and health costs was particularly difficult. While these mothers knew they would be better off financially in the longer term and they were eager to escape the stigma of receiving income support, they were finding it difficult to manage financially in the short term.*⁷⁹

Catholic Welfare Australia believes that losing associated benefits cannot be overlooked as a consideration that is weighed up by parents who are looking at returning to the paid workforce.

Recommendation 17

That research into the impact of losing access to other benefits by people moving off social security benefits (eg rent assistance, Health Care Card) is conducted.

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

Better targeted assistance under the family payments system

The ability of low-income families to balance work and family life would also be improved by better targeting the assistance provided under the family payments system.

Research on the cost of raising a family indicates that the cost of children increases with age, in particular as children reach their teenage years. Studies indicate that the cost of raising a 14 year old is between 160% and 240% higher than that of raising a three year old. For middle class families, the impact of the rise in the cost of children is lessened by the ability of the mother return to work, or to switch from part-time to full-time work, and by the fact that they experience rising incomes over their careers.

⁷⁸ Department of Family and Community Services, 2005, *Description of Payments/Benefits*, Guide to Social Security Law, available online at <http://www.facs.gov.au/guide/ssguide/12.htm>

⁷⁹ Family and Community Services, 2003, *Balancing Work and Family: The experiences of low income parents*, paper presented by Gregory, A., Ganley, R. Mostafa, M. to the Australian Social Policy Conference, 9-11 July 2003

Low-income families, however, are under the greatest financial pressure when their children are older. They tend not to experience a rise in incomes over their career. For women aged 30-34 with a child 15 or older, 65% of women with a degree work full time, compared to 41% of women with no post-school qualifications.⁸⁰ At the same time, family assistance payments rise only marginally with the age of children. Income support for a low-income family with two teenage children is up to \$73 a week less than for a similar family with two preschool age children.^{81,82}

Improved data on the cost of children would help to better target the assistance provided under the family payments system. Only limited data is currently available.

The AIFS decided to stop publishing regularly updated information on the cost of children in 1999. At this time, the AIFS invited researchers based at three institutions to prepare a series of articles, explaining how they thought the costs of children should be calculated, and setting out the estimates which followed from the approach they had adopted. This information was published in 2000.⁸³

The Australian Government's Parenting Information Project Report, which was designed to provide parents with the information needed to assist them in their parenting role, does not contain information on the financial costs of starting a family.⁸⁴

The ABS and the AIHW also do not publish regularly updated information on the costs of raising a family.

Family assistance also needs to be better linked to movements in average incomes. This is because low-income families rely on increases in family assistance to keep pace with rises in middle-incomes. Between 1997 and 2004, the average income of the bottom 20% of households rose in real terms by 18.5%. This rise was the same in percentage terms as the increase for middle-income families. However, the rise in incomes for the bottom 20% of households was largely due to increases in family payments, particularly in the 2000 tax package and the 2004 budget. This means that if financial assistance to families is not properly linked to movements in average incomes, low-income families will not be able to maintain increases in real income at the same rate as middle-income families.⁸⁵

Data on the socio-economic characteristics of families having children (see Terms of Reference 1) would also help to better target assistance under family payments.

⁸⁰ Birrell, Rapson, Hourigan, 2004, *Men and Women Apart*, p.25

⁸¹ ACOSS, 2003, *Poverty, Policy and the Cost of Raising Teenagers*, p.5, 6

⁸² ACOSS, 2004, *Analysis of NATSEM Research on low-income families*, p.3

⁸³ see <http://www.aifs.gov.au/institute/pubs/costs.html>

⁸⁴ Department of Family and Community Services, 2004, *Parenting Information Project*, available online at <http://www.facs.gov.au>

⁸⁵ ACOSS, 2004, *Analysis of NATSEM Research on low-income families*, pp.1, 4

Recommendation 18

That assistance provided under family payments is better targeted to meet the needs of low – income families by:

- better linking the level of financial assistance to the cost of raising a child;
- linking family payments to movements in average incomes; and
- better data on the socio-economic characteristics of families having children.

Furthermore, Catholic Welfare Australia supports Recommendation 4 of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation report, *Working for Australia's Future*; 'that the Australian Government review the tax free threshold, taper rates, effective marginal taxation rates and income test stacking to maximise incentives to move from income support payments to increased participation in paid work'.⁸⁶

Recommendation 19

That Government reviews the tax free threshold, taper rates, effective marginal taxation rates and income test stacking to maximise incentives to move from income support payments to increased participation in paid work.

Catholic Welfare Australia, on behalf of the hundreds of thousands of Australian families whom we assist each year, looks forward to the outcomes of this most important Inquiry. Catholic Welfare Australia would be happy to further assist members of the Committee in their deliberations.

⁸⁶ House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, 2005, *Working for Australia's future*, p.xxii

Attachment A:

Catholic Welfare Australia Member Organisations

National

Catholic Society for Marriage
Education
Seasons for Growth (Sisters of St.
Joseph of the Sacred Heart)
Sts Peter and Paul Centacare,
Ukrainian Eparchy, North
Melbourne

Australian Capital Territory

Centacare Canberra/Goulburn
Marymead Child and Family Centre

Queensland

Boystown Family Care
Centacare Cairns
Centacare Brisbane
Centacare Employment Mt. Isa
Centacare Rockhampton
Centacare Toowoomba
Centacare Townsville
Mercy Family Services (Qld)

South Australia

Centacare Adelaide
Centacare Whyalla
St Joseph's Family Care Centre Ltd

Victoria

Centacare Ballarat
Centacare Melbourne
Centacare Sale (Gippsland)
Centacare Sandhurst (Bendigo)
Jesuit Social Services
MacKillop Family Services
Marriage Education Program (Inc.)
Sacred Heart Mission (St.Kilda)

New South Wales

Boystown Engadine
Centacare Bathurst
Centacare Broken Bay.
Centacare Lismore (St Carthage's
Parish)

Centacare Ballina (St Francis Xavier
Parish)
Centacare Coffs Harbour
Centacare Port Macquarie
Centacare Newcastle
Centacare New England North West
Centacare Parramatta
Centacare Sydney
Centacare Tweed Heads (St. Joseph's
Parish)
Centacare Wagga Wagga
Centacare Wilcannia Forbes
Centacare Wollongong
Daughters of Charity of St Vincent de
Paul
Edmund Rice Community Services
(NSW) (Christian Brothers St.
Mary's Province)
Marist Youth Care
St. Francis Welfare (Franciscan Friars)
St. Joseph's Cowper (Sisters of
Mercy, Grafton Congregation)
Sisters of Mercy (Parramatta)
Sisters of Charity in Australia

Western Australia

Catholic Marriage Education Services
(Perth)
Centacare Employment and Training
(Perth)
Centacare Geraldton
Centacare Kimberley
Centrecare Inc. Perth
MercyCare

Northern Territory

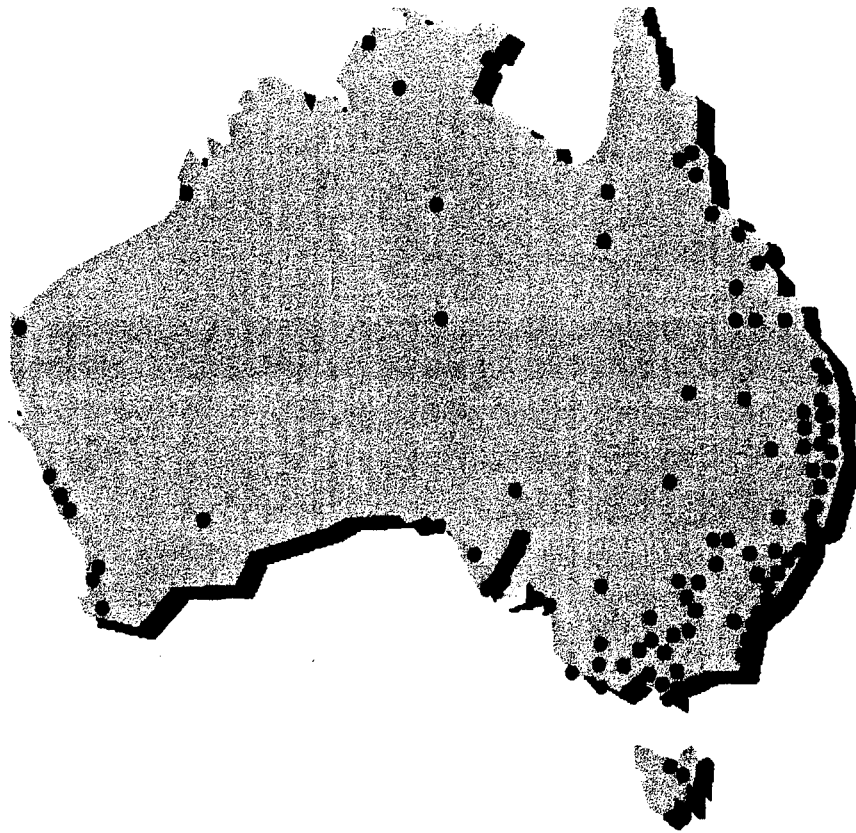
Centacare NT

Tasmania

Centacare Tasmania

Attachment B:

Catholic Welfare Australia Major Service Centres



Attachment C: Principles of Catholic Social Teaching

The following principles regarding family and work are derived from Catholic Social Teaching – the Church's formal body of teachings that have developed over recent centuries and which include encyclicals of the Popes as well as the statements of local Bishops and national conferences of Bishops dealing with particular issues in particular places. These principles provide an insight into the history of thought regarding work and family matters relevant to this current inquiry.

The Central role of family in society

The Catholic Church has always upheld the importance of the family as the primary source of support and formation for individuals. In their Pastoral Statement for the *International Year of the Family* in 1994 the Australian Bishops affirmed the pivotal role of the family as the foundation of the cultural, economic and social life of the community.

The family has vital and organic links with society, since it is its foundation and nourishes it continually through its role of service to life: it is from the family that citizens come to birth and it is within the family that they find the first school of the social virtues that are the animating principle of the existence and development of society itself.⁸⁷

Society has a role in fostering the formation and development of a family

The Church sees intrinsic merit of the family as an agent of social cohesion. From a Catholic perspective the support of family life and all that this entails is an indicator of the real prosperity of any society.

The family must be helped and defended by appropriate social measures. Where families cannot fulfil their responsibilities, other social bodies have the duty of helping them and of support the institution of the family.⁸⁸

Just as the intimate connection between the family and work demands that the family be open to and participate in society and its development, so also it requires that society should never fail in its fundamental task of respecting and fostering the family.⁸⁹

⁸⁷ Pope John Paul II, *Familiaris Consortio*, Pauline Books and Media, Boston, 1981, para 42

⁸⁸ Catechism of the Catholic Church, Part 3: Life in Christ

⁸⁹ Pope John Paul II, *Familiaris Consortio*, Pauline Books and Media, Boston, 1981, para 45

Pope John Paul II placed specific responsibility on society in supporting families:

In the conviction that the good of the family is an indispensable and essential value of the civil community, the public authorities must do everything possible to ensure that families have all those aids – economic, social, educational, political and cultural assistance – that they need in order to face all their responsibilities in a human way.⁹⁰

Work is vital for the dignity of the individual and family

The Church regards employment as essential to the individual's realisation of human potential, for providing for the needs of the family and as a basis for participating in the life of the community.

...human work is a key, probably the essential key, to the whole social question... And if the solution – or rather the gradual solution – of the social question, which keeps coming up and becomes ever more complex, must be sought in the direction of "making life more human", then the key, namely human work, acquires fundamental and decisive importance.⁹¹

Work and family are inextricably linked

Within Catholic Social Teaching, the term work refers not only to paid employment but labour undertaken for the benefit of others. Hence, the first examples of work are set and learnt within the family unit:

Work constitutes a foundation for the formation of family life, which is a natural right and something that man is called to. These two spheres of values – one linked to work and the other consequent on the family nature of human life – must properly unite and must permeate each other. In a way, work is a condition for making it possible to found a family, since the family requires the means of subsistence which man normally gains through work. Work and industriousness also influence the whole process of education in the family, for the very reason that everyone 'becomes a human being' through, among other things, work, and becoming a human being is precisely the main purpose of the whole process of education. Obviously, two aspects of work in a sense come into play here: the one making life and its upkeep possible, and the other making possible the achievement of the purposes of the family, especially education. Nevertheless, these two aspects of work are linked to one another and are mutually complementary in various points.

⁹⁰ *ibid*

⁹¹ *Laborem exercens* (On Human Work), Encyclical Letter of Pope John Paul II, 1981, n.3.

*It must be remembered and affirmed that the family constitutes one of the most important terms of reference for shaping the social and ethical order of human work.....In fact, the family is simultaneously a community made possible by work and the first school of work, within the home, for every person.*⁹²

The Government has an obligation to provide favourable conditions that will ensure job opportunities for all

The availability of work that provides an adequate income is so important to the life of individuals and their families that the Church regards broader society – particularly Government – as having a special responsibility to ensure favourable conditions that will provide job opportunities for all.

...we must first direct our attention to a fundamental issue: the question of finding work, or, in other words, the issue of suitable employment for all who are capable of it... The role of the agents included under the title of indirect employer is to act against unemployment, which in all cases is an evil, and which, when it reaches a certain level, can become a real social disaster.⁹³

The Government is obliged to provide adequate unemployment benefits to people who are unemployed

The Government has an important responsibility to provide support to individuals and families when unemployment or underemployment impact on certain sections of the community and where people's rightful claim to work and to participate in the social and economic life of the community is frustrated:

*The obligation to provide unemployment benefits, that is to say, the duty to make suitable grants indispensable for the subsistence of unemployed workers and their families, is a duty springing from the fundamental order of the moral order in this sphere, namely the principle of the common use of goods or, to put it another and still simpler way, the right to life and subsistence.*⁹⁴

Mutual Obligation requirements must respect the dignity of the individual

People who are denied work and are in receipt of income support have a responsibility to take up appropriate employment and training opportunities. The Government has a reciprocal obligation to create the conditions to make this participation possible. Many church and community sector organisations have raised concerns about the Federal Government's welfare reforms based on the

⁹² *Laborem exercens* (On Human Work), Encyclical Letter of Pope John Paul II, 1981, n.10

⁹³ *ibid*, n.18

⁹⁴ *ibid*.

policy of Mutual Obligation which has often emphasised punitive, sanctions-based requirements.

The Church has consistently argued that the relationship between individuals and civil authorities and public policies must be grounded in the dignity of individuals - for the good of individuals and of all society.

Hence, a regime which governs solely or mainly by means of threats and intimidation or promises of reward, provides men with no effective incentive to work for the common good. And even if it did, it would certainly be offensive to the dignity of free and rational human beings.⁹⁵

⁹⁵ *Pacem in terris* ('Peace on Earth'), Encyclical Letter of Pope John XXIII, 1963, n.48