

From: Batchler, Lisa LCDR [REDACTED]
Sent: Monday, 11 April 2005 3:54 PM
To: Committee, FHS (REPS)
Subject: Balancing Work and Family

Balancing Work and Family Inquiry Announced Bishop Launches New Inquiry Into Balancing Work and Family Mrs Bishop said that the Committee will explore how the Australian Government can better help families balance their employment and family responsibilities. The Committee invites public submissions on:

- * the financial, career and social disincentives to starting families;
- * making it easier for parents who so wish to return to the paid workforce; and
- * the impact of taxation and other matters on families in the choices they make in balancing work and family life.

Please find attached some thoughts on your terms of reference as listed above.

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

For many young families, the priorities of home ownership and career establishment mean that the decision to have a family is often deliberately deferred until a time where it is both personally and financially achievable around your family goals. The increasing costs of home ownership means, that for many families, both partners need to work in order to afford to pay off a mortgage and provides for their long term future with superannuation and investments. For many, this is best achieved while young.

The costs of having more than one child in full time care to return to work are significant. In many cases, those who delay starting a family until their 30's will only have one child because the cost of having more than one child in care is prohibitive, and many of these families do not want to delay having a second child due to their age.

Career wise, it can be difficult to take time out to care for a family and then return to the workforce at a later date. Breaking continuity can affect career progression as well as superannuation.

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

Many employers have now introduced policies to make return to paid work easier for those with families. In my case, the Department of Defence offers generous maternity leave provisions, the ability to extend time off work after the birth of a child using leave and long service leave, and the ability to return to work on a part time basis or under a flexible arrangement (albeit for a limited time). Whilst policy provides for these entitlements, the social and organisational acceptance of personnel using them still has a little way to go. Nonetheless, I found these policies very helpful in returning to work after having a child. I also have access to carer's leave should I require it to care for my child. My husband's employer is also flexible to his requirements to care for our child on occasions as required. This has assisted us greatly in balancing work and family.

3. The impact of taxation and other matters on families in the choices they make in balancing work and family life. In our family situation, my husband and I earn approximately the same salary. Our child care costs for our child are \$13 422 per year, which is paid out of our post tax, post superannuation, post mortgage salary. The inability to obtain child care at a facility that enables us to salary package directly costs us an additional \$6044 per year for our child. Add to this the fact that our combined income precludes us receiving family tax benefits and only entitles us to the minimum rate of child care benefit. As a family, we have calculated these figures before deciding to have a child and accepted the fact that these will be our costs for at least the next three years.

In order to return to work after a second child, our child care costs would be \$26 844 per year out of our post tax, post superannuation salary. Salary packaging would give us an increase in net salary of \$10 811 if packaged for one salary, and \$12 088 if packaged through both salaries. Based on these figures, we are faced with the decision of either not having a second child, or one of us leaving work after a second child because it would be more financially viable for us as a family. On only one salary, we would be entitled to family tax benefit, and would not incur the costs of child care and the additional costs associated with both working (running 2 cars and other incidental expenses).

If you are serious about providing an incentive for people to return to work, then make it at least financially viable for them to do so. Look at linking tax incentives for families to salary, so that the costs of returning to work can be offset against the salary earned. Provide a real incentive to return to work for those who wish to do so. It seems that there are plenty of incentives for families who choose to stay at home, > but very little to alleviate the financial pressure on those who want to

return to work. The minimum child care benefit, and the administrative effort required to receive it, is almost not worth the time and effort involved.

Enable us to salary package our child care costs at any child care centre.

In my case, because my husband does not work for Defence, I am a priority four for a position in a Defence child care centre. This is despite the fact that I have 17 years experience and training which could not easily be replaced if I leave. My husband's employer does not provide child care, so we must wear the full cost of our child care expenses from our post tax, post superannuation salaries.

I can be contacted as detailed below if you would like any more information about my comments above. Good luck with the review - I'll be very interested to see what comes out of it.

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