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Committee Secretary  
Standing Committee on Employment and Workplace Relations  
House of Representatives

Dear Sir/Madam,

**Re: Submission Inquiry into Employment, increase participation in paid work.**

Barossa Light Development Incorporated (BLD) appreciates the opportunity to make comment on possible solutions to lower unemployment and increase participation in paid work for support recipients. At present the Barossa and Light region is experiencing strong economic growth and a lower than State unemployment rate. There is still tremendous scope within the region to increase paid work and further lower unemployment rates.

Reference to future workplace participation was made in the Intergenerational Report 2002-03, which has recently been released by the Treasurer. It is stated that workplace participation over the last 15 years has increased by 6% due to an increase in females in the workforce and a slight decrease in male in the workforce. Future projections for labour force participation are expected to decrease in coming years due to Australia's ageing population. This will ultimately increase the amount of support recipients on the old age pension. This will also emphasize the need to increase workforce participants for support recipients in other categories.

One classic example in the Barossa and Light region where restructuring current assistance could increase workplace participation for support recipients is in the

area of childcare. There are two factors that are affecting this sector, the lack of childcare facilities and the cost of childcare for families.

Currently there is a shortage of childcare facilities in the Barossa and Light region, this is impacting heavily on young families in the region. In many cases families have children at varying age levels that require different levels of childcare. The lack of childcare facilities and the distance between associated support facilities is making childcare a difficult operation for families to manage. In many situations parents are electing to stay at home rather than returning to work. The reason for this lack of childcare facilities is partly due to insufficient finance, government assistance and high operation costs such as staffing and insurance.

At present many parents are choosing to stay at home to care for their children. The decision to stay home is purely based on the cost of childcare compared with their annual salary. Many parents believe it is financially and emotionally more beneficial for one parent to stay at home.

The average wage and salary income for people in the Barossa and Light region is \$29,632 and the average cost of one child in full time care for a year is approximately \$8,640. In most cases families have more than one child in childcare, which makes it more costly. One example that emphasizes this is if you have two children in full time care and both parents on the average wage they receive \$52,937.79 a year. This figure includes Family Tax Benefit A and has had childcare with the rebate included deducted for the two children. This can then be compared with \$39,328.96 if one parent receives the average wage and the other parent stays home to care for the children, this figure includes Family Tax Benefit A and B. The family that has both parents working and receives Family Tax Benefit A has an extra \$13,608.83 a year. In many cases this is not seen to be a sufficient amount to warrant returning to work.

To change this trend in childcare more support and assistance are needed to both families and childcare operators. The current rebate system for childcare needs to be investigated and changed so that it provides more support to both parents and

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childcare operators. Any rebate system or family assistance scheme should be structured so that it is more beneficial parents to return to work and use childcare.

Yours faithfully,

*Ryan Viney*

Ryan Viney  
Project Officer  
Research

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