

**STRICTLY EMBARGOED
UNTIL 11:00AM, TUESDAY 19 APRIL 2005**

**OPENING STATEMENT BY CATHOLIC WELFARE AUSTRALIA
TO The House of Representatives' Standing Committee Inquiry into
Balancing Work and Family**

Appearing on behalf of Catholic Welfare Australia are:

Mr Bernard Boerma, Board Member, Catholic Welfare Australia

&

Mr Frank Quinlan, Executive Director, Catholic Welfare Australia

Introduction

On behalf of Catholic Welfare Australia, I would like to thank this Standing Committee for the opportunity to appear today and welcome the focus this particular Inquiry gives to the role of family in society.

For the Catholic Church, the family unit is the core of society. The family is the foundation of cultural, economic and social life of the community. It is within the family unit that we as individuals begin our process of learning and where our first introduction to work is made. When the Church refers to work it is not only in the current Australian cultural context – which seems to be largely about paid work - but in the many other important forms of creative endeavour that families and individuals within families contribute to society which are unpaid.

It is possible that this is going to be the most difficult challenge facing this Committee. What value do we as an Australian society ascribe to unpaid work which comes in the form of care for children, care for the disabled, care for the ill and care for the elderly?

This discussion is critical in light of the Federal Government's Workforce Participation Agenda. Lack of child care places, a lack of aged care places, a lack of adequate care for the severely disabled means only one thing – that these people are being cared for in the homes of Australia. And what of the people caring for them? What value will we attribute to their role as carers when they need to meet mutual obligation activity tests?

Catholic Welfare Australia acknowledges that Federal and State Governments do provide some assistance in the way of child care rebates/benefits, respite care, in-home care, family payments etc., but the constant message we receive from our members is that demand always greatly outweighs the availability.

Further to this, some parents will decide that it is in the best interests of their children to remain out of the workforce, a decision which must be supported.

Make no mistake – the Catholic Church supports the concept of participation in the workforce and we support the view that working is the best way out of

poverty. However, there are some critical qualifiers around that statement. Firstly, work exists for the individual not the individual for work. Work is a means of fostering and supporting individuals and families in society. Secondly, participation in work is one of the ways in which an individual finds meaning and purpose in life. However, promoting and enhancing the dignity of the individual is dependent upon the choice of job. The key thing here is that it should not just be any job - as work is an expression of our humanity and dignity. Further to this, paid work should be seen in the context of a person's responsibility to their family and dependants.

It is worth noting that the discussion of family and work as two separate entities that require balance could be seen to imply that the tasks involved in raising a family are not work. Rather than relegating family life to something which should be balanced alongside paid employment, Catholic Welfare Australia believes it should at least be on equal footing with paid work.

For those in the workforce or wishing to enter the workforce we typically discuss the balance between family and work in the context of issues like access to paid maternity leave and the affordability of childcare. This is the case for all families. However, low-income families also confront additional barriers and issues when trying to manage the competing demands of family and work. In many respects, for low-income families, subsistence rather than balance is the reality of their lives. It is in the interests of these families, those who are poor and marginalised in society, that Catholic Welfare Australia puts forward its submission.

Financial, career and social disincentives to starting a family

Fewer people with low-skills, particularly low-skilled men, now have the opportunity to start their own family. While marriage rates for men across all socio-economic groups have fallen, the biggest fall has been amongst men with no post-school qualifications. Unless strategies are developed to address the ability of these men to compete in the labour market, low-skilled men will not be able to have the same opportunity in life as others to partner and to raise children.

Low-income couples are also struggling to start their own family because of the rising cost of housing. Buying your own home is still considered the great Australian dream, but the fall in housing affordability means that many people now start their family later in life. There are several strategies available to the Government to address the affordability of housing, such as better targeting the assistance provided under the first home owners grant.

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

For those families with dependant children, many have only limited access to the labour market. Over the last twenty years, there has been a significant rise in the number of families with dependant children that are 'work poor', where either no adult is in work, or only one-parent works part time. Some

parents will decide in the best interests of their children to remain out of the workforce, a decision which must be supported for the good of the community at large. However, there is a clear need for strategies to assist the many single parents and 'work poor' couple families who wish to return to the workforce. Single parents need greater access to childcare and education and training, while 'work poor' couple families are characterised by very low-skill levels and need access to skills development.

Where parents are able to return to the workforce, the wage they receive should be sufficient to support themselves and their families. This is a notion that has been at the core of the Australian Industrial Relations System since the Harvester Judgment in 1907 and something the Church has called for in its submission to the Australian Industrial Relations Commission's Safety Net Review. The ability of the wage to support the family is especially important given the Government's commitment to promote greater workforce participation. If greater numbers of people are going to make the move from welfare to work, they need to be assured the income they receive from paid employment will be sufficient to support themselves and their families.

Parents also need assistance to return to the workforce immediately following child rearing. For couples struggling to make a living with part-time and casual jobs, as is often the case for poorer families, the impact of one person leaving the workforce for even a short time is diabolical. Workers need to be in a job for a period of time in order to have access to leave entitlements such as sick leave, parental leave, and special family

leave. Once an employee has actually qualified for these conditions they do go some way to providing flexibility in the workplace to respond to family demands.

Parents attempting to move from welfare to work are increasingly moving into casual positions. More than half of all new jobs created since 1988 have been casual jobs. This can have particular impacts on families. 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. For this reason social security recipients should have a guaranteed return to income support in situations where they have trialled employment and the job is found to be unsuitable, especially in situations which impact on the welfare of dependant children.

For those on the margins of the workforce, the risk of being without benefits, without paid work, or without enough work to cover their financial commitments is dire.

Catholic Welfare Australia recently learned of the case of a pensioner (lets call her Jenny here) who was offered short term, casual employment as a way of getting off the pension. The thought of this terrified Jenny as the implications were very significant to her. In giving up the pension Jenny would also jeopardise her rental assistance, her Health Care Card, and her public transport concessions. All concessions that Jenny factored in to her weekly budget. The amount of money Jenny was set to earn from the new job was barely the same as her pension payments and Jenny feared would

result in even greater financial hardship if she lost these supplementary benefits. If the short term work did not result in ongoing long term employment, the difficulty of re-establishing her benefits was also of concern to her as it could result in a gap between employment and payment of benefits. Like many, Jenny does not have access to any other financial assistance that could 'tide her over' during such a period.

It is easy to understand how for Jenny, and for many like her, the safest solution, in her mind anyway, was to stay with social security benefits.

Catholic Welfare Australia believes it is critical that the Government supports parents wishing to return to the workforce through a variety of initiatives. Some may be as simple as encouraging employers to provide re-entry processes for those who have left or taken time out of the workforce for family reasons, such as training programs.

Access and affordability of childcare is a critical issue for families. Currently in Australia childcare is difficult and expensive to access. This particularly disadvantages the poor. Childcare subsidies have not kept pace with fee increases. Women on low incomes still find the gap between the cost of care and the Child Care Benefit prohibitive.

Grandparents and extended family play an important role in the care of children and appear to be filling some of the deficiencies in the childcare

system. This is particularly so for families on low incomes, who must rely on relatives and friends as they cannot afford formal care.

While not considered in our paper in detail, Catholic Welfare Australia is also concerned that the discussion of unemployment and workforce participation frequently focuses on job seekers. This discussion must be balanced by consideration of strategies to create jobs, and in particular, jobs that are suited to the skills and aspirations of available job seekers.

It is a regular feature of recent news bulletins that businesses are being sold to overseas buyers. The globalisation of labour – for example, Telstra call centres being serviced from India to save money – creates real challenges for Australia if the net result will see low paid and low skilled jobs increasingly moved off-shore.

Catholic Welfare Australia has been engaged in a number of forums of late where it was said “well, the Government is not in the business of creating jobs”. Whilst that may well be correct, the Government most certainly does have the means to encourage business to create jobs. Moreso, our regional development programs must ensure that jobs are created where workers need them. As mentioned earlier – we believe that an individual should not be forced to do any job just for the sake of it. It must be mutually beneficial to the growth and the human dignity of the individual. Needless to say, we would strongly oppose any unfair demands on families to be geographically

uprooted in order to comply with mutual obligation activity tests or to seek uncertain employment.

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

Family assistance payments could be better targeted if there was improved data available on the cost of raising children, linking movements in family payments to changes in average incomes, and reviewing the real life impact of effective marginal tax rates and tax free thresholds.

Summary

We have reached a crucial point in social development of Australia, where policies pursued in the area of employment and workforce participation have the potential to put extreme pressure on many Australians who are making valuable and notable contributions to society in unpaid roles. To accommodate the growing push to move people into the workforce – with its harsher mutual obligation work activity tests and its focus on participation in the paid workforce as the only valued outcome – we believe Government must place a ‘value’, perhaps even a dollar value, on the unpaid work many Australians undertake as mothers and fathers and carers of the elderly and disabled in this country.

Catholic Welfare Australia has presented a broad range of recommendations to the Committee with a focus on ensuring that everyone can have the same opportunity to start a family, regardless of socio-economic status, and that appropriate and targeted assistance is available to help with managing the financial and relationship pressures this involves.

These recommendations also address a number of the other challenges that Australian society will have to face over the coming decades. The Government has often talked about the need to increase workforce participation. In our submission, we've highlighted the difficulty that many people with low-skill levels have in becoming engaged in the labour market. If the Government is prepared to make a greater investment in education and training, this would not only give 'work poor' families with children better job prospects, it would also help us to increase the overall skill level of the Australian workforce.

Similarly, we have also seen many forecasts of the impact of the ageing population. Rather than simply expecting people to work into their seventies, strategies must also be developed to increase the fertility rate. More than 90% of people say they would like to start a family, but many people, especially those on low-incomes, don't have the opportunity to do this. The dramatic fall in the partnering rate of low-skill men is illustrative of this trend. The capacity to start a family cannot be considered separately from the security people feel in the labour market. Many young couples would like to start their own family but struggle with the cost of buying a home. All this has meant that many people now put off having a family

until later in life. By addressing these issues, we will be giving more people the opportunity to start a family and will go part of the way to addressing the social and economic challenges an ageing population presents.

Catholic Welfare Australia wholeheartedly acknowledges the vital link between family and work and the major impact one has upon the other. It is our aim however, to ensure that the family unit is fostered, nurtured, protected and properly cared for in a political and social environment which appears to ascribe more value to the economy than to people.

On behalf of the hundreds of thousands of Australian families we assist each year and the many voiceless in our community – Catholic Welfare Australia looks forward to the outcomes of this most important inquiry.

Strictly embargoed until 11:00am Tuesday 18 April 2005