

## **Submission by Endeavour Forum Inc.**

1. Endeavour Forum Inc. is a pro-life, pro-family women's organisation which has special consultative status with the Economic and Social Council of the United Nations.
2. While our supporters include career women who work full-time and others who work part-time, the majority of our supporters would be stay-at-home-mothers, and many of these would have large families. I have eight children, our Victorian Co-ordinator has seven and our editor has nine. We believe we make a significant contribution to the well-being of the nation because without families of at least the replacement level of 2.1 children per woman Australia would be facing the demographic collapse so evident in Japan and some countries in Europe. There should be recognition that mothers of three or more children are making an exceptional contribution to the survival and well-being of Australia as otherwise we would have an upside-down pyramid structure to our population with more and more retired elderly supported by fewer and fewer workers.
3. Many of our supporters who are in full-time paid work have indicated they would prefer to work part-time, and some of those in part-time paid work have indicated they would prefer to reduce their hours of paid work and/or be full-time stay at home mothers. While there is so much youth unemployment and the closing down of manufacturing industries, why is there so much economic coercion and what can only be described as "government propaganda" to get mothers into the paid workforce? Mothers of young children in full-time paid work are doing two jobs, their career and raising children, while some young people and even middle-aged workers sacked from manufacturing jobs have no work at all.
4. We thoroughly endorse the submission by the Awesome Mothers Association (see link below, and will not repeat the many issues they have raised, please note we support their recommendations especially on income splitting. [http://www.pc.gov.au/data/assets/pdf\\_file/0007/133981/sub303-childcare.pdf](http://www.pc.gov.au/data/assets/pdf_file/0007/133981/sub303-childcare.pdf)
5. In the following points we deal with the excuses made by the Department of Social Services in attempting to justify the discrimination against the single-income family with a stay-at-home mother:
  - \* In regard to the Prime Minister's very expensive Paid Parental Leave payments, single-income families are discriminated against not only because they don't get the payment but also because the tax cuts to big companies to cover the cost of the PPL levy on them will again come out of the pockets of taxpayers. It seems ridiculous to levy big companies 1.5% to cover some of the costs of Mr. Abbott's PPL, and then given them a 1.5% tax cut. This could be described as "churning", which costs money in itself as an army of bureaucrats will be required to administer it, not to mention additional staff at the ATO. Why not simplify the system by offering all mothers a substantially increased baby bonus? The savings in additional staff required to administer Mr. Abbott's PPL would cover much of the cost of such a policy. Furthermore, the 1.5% levy on big companies does not cover the full cost of Mr. Abbott's PPL - the government, i.e. taxpayers, will have to cover additional

costs. It is not correct of Mr. Abbott to describe his PPL as a workforce entitlement similar to holiday pay. The latter is paid for by employers, not the taxpayer.

- \* There is inherent discrimination in paying some mothers \$75,000 in PPL and other mothers maybe \$40,000. The DSS cites economic pressures to justify such discrimination but surely these are far more severe on those mothers who were on lower wages than on mothers who earn \$150,000 and who therefore have far more opportunity to save for their time on maternity leave.
- \* The fact that some single-income families may receive Family Tax Benefit Part B even though their income is higher than dual income families illustrates the anomalies in the system which requires a wholesale revision and simplification. Simplification will reduce the number of public servants required to administer such policies.
- \* The argument that taxation based on couples rather than individuals would benefit higher income couples more does not stand up to scrutiny as many dual income families especially in the higher income brackets can split their incomes anyway by appointing the wife (or husband) as a "Director", "Partner" "receptionist" etc. in the business. These tax splitting possibilities are available to some businesses, farmers etc. but not to wage and salary earning workers. It is an anomaly that needs to be addressed. The very top earners already reduce their tax liabilities in every way legally possible and income-splitting between husband and wife would not reduce their tax liability much more. It is the ordinary wage and salary earners who cannot split income with their spouses or appoint them as business partners or "directors" who suffer from the current tax system.
- \* The Department of Social Services has not adequately addressed the discrimination inherent in the fact that the Child Care Benefit is means tested while the Child Care Rebate is not. Surely mothers not in the paid workforce and/or studying because they have large families are more in need of help than those mothers who have workforce incomes. An equitable system would be to make Child Care Benefits available to all mothers on a non-means tested basis, while allowing mothers in the paid workforce and/or studying tax deductions for additional child care costs. In some cases these mothers would find their child care costs were almost as much as what they were earning, which suggests serious anomalies in a system which pays child care workers reasonable wages but pays mothers at home who do the same work - **but also love the children in their care** - nothing for the same work. Some of the Scandinavian countries have addressed such anomalies by paying mothers who stay home to care for their children - this is particularly helpful to low-wage mothers.
- \* **We strongly recommend a policy similar to that of the Scandinavian countries which pay mothers who stay home to care for their children.**
- \* **We would welcome the opportunity of giving evidence at a public hearing of the Productivity Commission.**

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