

From: Paul Fulton [REDACTED]
Sent: Monday, 4 April 2005 12:37 PM
To: Committee, FHS (REPS)
Cc: [REDACTED]
Subject: [REDACTED] - Submission into the Inquiry in Balancing Work and Family Life Greetings.

Please take the following submission into account.

The financial, career and social disincentives to starting families:

These are too numerous to mention, but none of these issues can compete with the biological necessity to procreate. My dad did it, and so did his dad, and so did his dad, * 100000 !

What right have I to ruin that kind of record?

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

Access to suitable childcare is a nightmare. I believe that in general child care workers are under-paid, and as a result probably under-qualified for this job, which is extremely important. Higher pay for child care workers is essential in order to attract new participants. Higher costs for child care would result from this, but this could be partly overcome by the mechanism below.

Parents who are not working should not be subsidised for dumping their kids in childcare for a break, or at least this should be limited to less than a day a week.

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

As a PAYE employee without access to employer supplied child care, there is no possible mechanism for me to pay child care fees from pre-tax income. If my employer was a university or a large bank or another employer with child care facilities on site, this would be possible, saving me 32% of child care costs. This is calculated by subtracting 18% current government contribution from the 50% marginal tax rate I am on (due to bracket creep). If I was an employer, the cost of a nanny to look after my children could be claimed as a tax deduction to the business. Why are these avenues open to only select people within society?

I also suggest that I should be able to income split with my wife. I believe that we run the household as a business, and that we are in the most classic form of business partnership, yet I still pay well over 30% of my taxable income in tax. The difference between company tax rates and personal tax rates is ridiculous. No wonder there are so many small businesses in Australia. The psychological benefit of my wife effectively earning money through this process should also not be disregarded. This is especially important for women who have left the workforce in order to have children, and feel as though they are not contributing financially to the family.

Child care is absolutely essential to me being able to be employed, so why is it not tax deductible? Why is my briefcase, my computer, my corporate clothes, my study expenses etc all tax deductible, whereas childcare is not?

Childcare costs me 150% more than my mortgage costs, and this is only the direct costs of childcare. This is also only for 3 days per week for two children.

Thanks for the opportunity to make these comments.

Paul Fulton

[REDACTED]

