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**Work decisions and the  
tax-transfer system**

Work decisions and the tax-transfer  
system, Colmar Brunton Social  
Research.



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# 1 EXECUTIVE SUMMARY

## 1.1 Introduction

Colmar Brunton Social Research (CBSR) was commissioned by the Australian Fair Pay Commission Secretariat (AFPCS) to conduct research into **influences on working decisions among various target groups**.

The objectives of this research were to investigate:

- the extent of knowledge about tax and transfer provisions that affect the net financial return from paid work;
- the extent to which changes in net income affect decisions to enter or leave paid work or to change hours of paid work; and
- other key (non-financial) factors that affect employment decisions.

The research involved 12 focus groups and was conducted between 19 and 27 July, 2006.

This report presents the findings of this research. Please note, the results presented here are based on the *perceptual feedback* of research participants and reported potential behaviour, rather than findings that can be generalised to the population as a whole.

## 1.2 Key findings

### 1.2.1 Extent of Knowledge about Tax Transfer Provisions

The majority of participants had a good knowledge of the names of Government benefits available, but only those currently or previously receiving benefits had any detailed knowledge of them.<sup>1</sup>

Two main sources of information were reported as immediately accessible:

- Centrelink; and
- Word of mouth.

Few participants had actively sought information on benefits or abatement levels (the rate at which benefit payments are abated as income rises) unless specifically requiring it. There was a low knowledge among participants of the details of government benefits unless they had been received before.

Few were aware of specific details of exactly how benefits and assistance change in relation to decisions to work more or less. However, there was generally a feeling among participants that abatement rates are very severe, and therefore, tend to reduce incentives to move into work or work more hours for those receiving maximum Government assistance.

### 1.2.2 Effect of Income Changes in Employment Decisions

All participants believed that government benefits alone do not provide enough income to sustain a comfortable quality of life, resulting in a strong desire for paid work, in preference to total reliance on government assistance.

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<sup>1</sup> For example, eligibility criteria and when and how benefit abatement rates apply.

However, the needs of children and/or social expectations regarding parenting responsibility often supersede the desire for additional income.

Exposure to Government benefits (particularly the Healthcare Card and Parenting Payment) inspires recipients to protect those benefits by avoiding work that will nullify those benefits.

If participants have not already been exposed to benefits they are not likely to reduce work to make themselves eligible.

For primary carer parents (either single or couples), cost of childcare (actual or perceived) can be a significant factor in determining whether participants work or increase their work. In the case of the primary earner in couples, the cost of childcare is not a major determinant for working or increasing work.

Thus, available benefits have a major impact on primary carer's decision to work.

### **1.2.3 Other Influences on Employment Decisions**

Factors often reported as more important than Government benefits are:

- income requirements – cost of living, debt obligations, quality of life, saving for retirement;
- psychological factors – confidence, esteem and efficacy;
- children's welfare – providing for wants and needs, care giving, parental availability;
- cost and quality of childcare; and
- workplace skill retention.

While Government benefits were not reported as a significant contributor to decisions to work more, this finding is based in perceptual feedback. Once benefit figures were introduced and discussed, responses indicated that actual behaviour is likely to be protective of benefits received. This is especially the case among working parents where increased income impacts on childcare benefits.

## **2 INTRODUCTION and BACKGROUND**

In June 2006 Colmar Brunton Social Research (CBSR) was commissioned by the Australian Fair Pay Commission (the AFPC) to conduct qualitative research to understand the impact of changes in net income on employment decisions, as part of the current wage review process.

The research involved 12 focus groups that were conducted in a mixture of urban and regional locations, as shown in the tables below. These locations were chosen based on the unemployment rate and participation rate within each area.

The research was conducted from 19-27 July.

### **2.1 Research Objectives**

The overall objectives of the research were to investigate:

- the extent of knowledge about tax and transfer provisions that affect the net financial return from paid work;
- the extent to which changes in net income affect decisions to enter or leave paid work, or to change hours of paid work; and
- other key (non-financial) factors that affect employment decisions.

### **2.2 Methodology**

#### **2.2.1 Participant Recruitment**

Participants to the research were recruited by telephone and sourced from:

- 1 – Randomly selected from the White Pages telephone directory;
- 2 – Having completed previous research with Colmar Brunton Research and volunteered to be contacted in the future; and
- 3 – The Colmar Brunton Research panel of participants, which is a nationally representative panel of research volunteers.

All participants had not been included in research in the previous six months and conformed to strict recruitment criteria. A copy of the recruitment specifications questionnaire used for this research can be found in Appendix A to this document.

### 2.2.2 Group Composition

12 focus group discussions were conducted. Each discussion group was comprised of the following types of people:

**Table 1: Respondent Specifications - Singles**

Specification	Number of Groups	Number of Participants	Location
Singles, not employed, no children	1	6	Brisbane
Singles, not employed, with children	1	7	Wagga Wagga
Singles, employed or looking, with children	1	5	Melbourne
TOTAL Singles	3	18	-

**Table 2: Respondent Specifications – Single Income Households with Children**

Specification	Number of Groups	Number of Participants	Location
Couples, both unemployed	1	8	Sydney
Couples, with one partner employed (non-employed partner)	1	7	Melbourne
Couples, with one partner employed (employed partner)	2	14	Brisbane, & Townsville
TOTAL Single Income Households	4	29	-

**Table 3: Respondent Specifications – Double Income Households**

Specification	Number of Groups	Number of Participants	Location
Couple, no children	1	8	Sydney
Couple, children under 5	2	14	Melbourne & Wagga Wagga
Couple, children 5 or over	2	15	Sydney & Townsville
TOTAL Double Income Households	5	37	-

### 2.2.3 Discussion Flow

Discussions were 1.5-2 hours in duration and participants received \$80 cash for attending.

The general flow of discussions was:

- reasons for working or working more hours;
- reasons for not working or working less hours;
- information sources about Government benefits;
- awareness and understanding of benefits; and
- trade offs between benefits and employment.

A copy of the moderator's guide used in this research can be found in Appendix B of this document.

## 3 RESEARCH FINDINGS

### 3.1 General Findings

As this research is intended to examine the influence of different family circumstances on potential employment decisions, the discussion below is split by individual group composition.

The major themes arising from the results are:

- Unemployed participants who receive the maximum government benefits are the most knowledgeable about what benefits are available to them. They are also the group that is most protective of those benefits. Perceiving abatement levels to be severe, these people seek to avoid low-paid employment in order to protect the benefits they receive.
- Single parents, whether employed or unemployed, are consistent in their perceptions and expectations. The highest driver to accepting work for this group is the availability of flexible working hours and understanding employers, so they can balance the roles of employee and parent. The main difference between employed and unemployed single parents is that the employed group has met these work needs and the unemployed group has not yet found work that meets their needs.
- Employed people are not likely to leave the workforce based on available government benefits. This group is least aware of what benefits would be available and the level of those benefits. However, this group is also the least likely to explore the option of leaving or reducing work, because of the importance they place on personal dignity, pride and esteem.

#### 3.1.1 Drivers and Barriers to Working

Perceived importance of government benefits is closely related to experience of those benefits – if participants have never used them or had little reliance on them in the past then they feel they do not have anything to lose by working or working more hours.

Motivations to work or not work are generally dependent on life stage:

- If there are no children present in the household then motivations are primarily self-focused (eg: personal ambition or lack of motivation).
- If children are present then motivations tend to be transferred to the needs of the children (eg: provide for children's needs and wants or be physically present for children).

Cost of living is a strong driver for working, which is closely related to desired quality of life. Not working is perceived to not allow for a comfortable quality of life or the common desires such as owning one's own home, varied leisure activities, modern décor or furnishings, etc.

On the other hand, available time is a strong driver for not working (along with the security provided by government benefits).

### 3.1.2 Awareness and Information Channels

Some participants have sought information about the affect of extra income on government assistance. Those participants who do seek such information have discussed the issue with Centrelink staff over the phone or in person or have visited the Centrelink website.

Some would search for information on benefit abatement rates on the Centrelink website or on other government websites like Medicare. Others prefer to go into Centrelink to find the information in pamphlets or flyers or over the counter.

Word of mouth from family members or people who are in similar situations is also commonly reported as a way of finding out about eligibility for benefits.

Some working participants with children under five years look for information at kindergartens and crèches. Participants who are working parents sometimes also ask their employer about tax/benefit entitlements.

Some hear about entitlements through the mass media - radio, television and newspapers.

Most feel one cannot access tax benefit information and benefit information at the same place. Some would go to the Post Office for information on tax entitlements and some mentioned the tax office website or government shop-fronts. Others report they would use their accountant for tax information and advice.

### 3.1.3 Scenario testing

To gauge the impact of changes in net income on decisions to work, participants were presented with three scenarios:

- **Scenario 1** which for singles and couples is not working and complete reliance on government benefits.
- **Scenario 2** which for singles is working part-time and for couples is one adult working full-time and partial reliance on government benefits.
- **Scenario 3** which for singles is working full-time or for couples is both adults working (one part-time and one full-time) and significantly less reliance on government benefits.

After a general discussion around these basic scenarios all participants rejected Scenario 1 as income levels on Government assistance alone are perceived to be too low. Scenario 3 was generally favored for the extra income that could be attained over Scenario 2. However some parents would only move to Scenario 3 when their children were old enough (and old enough varies from two years to the teenage years) and if suitable child care arrangements could be worked out.

After this general discussion participants were exposed to the actual scenario figures which showed the hypothetical net financial gain for each scenario. Exposure to the figures caused most participants to favor Scenario 2 as the income attained under Scenario 3 was not perceived to be worth the extra effort involved or compensate for lost leisure time or time with the family one can enjoy under Scenario 2.

## 3.2 Singles, Unemployed, No Children

### 3.2.1 Summary

Participants reported that the major drivers to working are around achieving present and future financial and material goals. There is the recognition that without employment, leisure activities, home ownership goals and future comfort will be seriously compromised.

The major barriers to working are psychological in nature: fear of failure, fear of success and fear of authority.

Available government benefits are well understood by this group, but are not strong motivators for working or not working.

However, Youth or NewStart Allowance does provide people with freedom and leisure that working would not allow (but is not enough to have a fulfilling lifestyle). Concessions available to Healthcare Card holders do represent a major disincentive to work – travel and pharmaceutical concessions are highly valued by this group.

That said, the majority of people would prefer to be gainfully employed and not reliant on government benefits. Those people who are particularly reliant on concessions would be more inclined to part-time work to avoid the loss of the Healthcare Card but also enjoy a higher income than what is supplied by the NewStart Allowance.

### 3.2.2 Drivers for Working

Participants indicated that their most important reasons for working were:

- To attain a lifestyle that enables them to do the leisure activities they want to do when they are not working.
- To meet life goals like having a good a career, a house and being able to travel.
- To save for future financial security and for retirement savings.
- For independence. Being able to take responsibility for themselves, to improve their own self image and the perceived image others have of them. To improve their self confidence and *“knowing they can do something rather than just lazing about at home”*. *“Just that feeling of satisfaction and achievement that what I have, I earned myself”* (Brisbane).
- To support someone else in the family or because they have taken on more family financial responsibilities.
- To learn more skills and keep up to date with changes in the workplace.

Other, less important, reasons given for working, or working more, were as follows:

- If the people they work for and with are *“good fun”* (work more hours).
- If working more is likely to lead to quicker career advancement or a better job.
- So one can keep up a social life. The extra income from working enables people to keep in touch with friends as they have the money to go out with them *“and do things”*.
- To get a break from domestic pressures.

- To increase one's networking opportunities and future employment prospects as a result.
- To keep up the social contact with other adults outside the home. *"Working with others stops you getting socially rusty"*.
- To give you a more balanced life between work and play.

The least important reasons nominated for working or working more were as follows:

- To feel like one is contributing to the community and society. *"Not being a bludger"*.
- To try to find a partner. *"You need to get a job before you can get a girlfriend"*.

### 3.2.3 Drivers for Not Working

The most important reasons why these participants reported for not working, or working less, are as follows:

- Fear of failure *"It is really scary going to an interview...there is so much you have to think about...it gets overwhelming"*.
- Fear of success *"What happens if I actually get the job"*.
- Some don't like having to work for a boss and having to obey an authority figure.
- Some feel it is too hard to get a job when you are young and inexperienced because *"no one will give them a chance"*.
- If the working environment was unsafe eg overuse of pesticides.
- If one had had negative experiences in the past such as having "a bad boss" or nasty work colleagues or sexual harassment.
- If they wanted to spend more time at home with their family or if they were forced to because other family members are ill.
- If they could lose their concession card they would be less likely to take on more work.

Other less important reasons nominated for not working or working less included:

- If they felt they had worked for too long and just needed a break.
- If the money one gets back from working does not cover the extra expense or effort involved. Participants mentioned examples like loss of benefits and the Healthcare Card if they started work or worked more hours.
- If they pursued other commitments like sports or study.
- If they hated their job and felt they couldn't get anything else (work less hours).
- Just a general feeling of apathy because it all seems too hard and there is not enough encouragement to work.

**Note: minimum wage issues do not appear as a barrier to working.** Indeed the interplay between drivers and barriers is largely based in a continuum of time versus money. Increased income or money is a pull to working, but the desire for leisure time is a pull away from work. While government benefits are available, the pull to work is weakened and the pull away from work is consequently strengthened.

### 3.2.4 Awareness of Government Transfer Payments

These participants were aware of many different types of government benefits and assistance but were much less knowledgeable about eligibility criteria and when and how benefit abatement rates apply.

These participants mentioned the assistance and benefits outlined below. Please note, the descriptions given are participant perceptions of relevant entitlements and therefore not necessarily accurate.

- **Youth Allowance:** some feel the maximum entitlement is \$331 per fortnight and that you are allowed to earn up to \$243 per fortnight before this entitlement gets abated. After this threshold is crossed, adults feel they lose 50 cents in every dollar and this is a major disincentive to take on more hours. Adults feel the Youth Allowance does encourage people into part-time work as it is not considered to be enough to live on.
- **NewStart:** the standard entitlement is \$400 per fortnight. Some feel one can earn up to \$60 per fortnight without losing any entitlement. This benefit is seen to decrease incentives to work. *"It discourages you from working because it gives you a choice...you don't have to work...it's not like the US where you have to work or starve"*.
- **Rental Assistance:** some report the maximum allowance is \$64 per fortnight. Others feel it has a ceiling of 50% of the Newstart allowance in any given week. Most report the entitlement stays the same even if recipients take on more work. Most feel the level of assistance is too low compared to actual rental costs and this encourages recipients into part-time work.
- **Concession Cards:** most are aware of the Healthcare Card. This provides a 90% discount on medical services and an average prescription charge of \$4.60. Some feel eligibility is based on one's assets. *"You can't get it if you're a student and you have more than \$3000 in assets"*. Losing the Healthcare Card is a major disincentive to work, but there is the recognition that it has a 12 month validity period *"You can still use it for the bus and stuff if you have a job, it's not like they really check it"*.

### 3.2.5 Scenario Testing

Unemployed adults identified closely with Scenario 1 (not working, receiving NewStart Allowance). In Scenario 1 all participants agreed there is a strong motivation to find part-time work (shift to Scenario 2 - earning \$13,000 pa [\$250 pw] from part-time work, still on NewStart Allowance) as Government assistance is perceived to be too low to survive on.

After being exposed to the actual scenario figures, Scenario 2 was still the favored scenario. The extra income obtained under Scenario 3 (earning \$31,200 pa [\$600 pw]) was not perceived to compensate for the extra effort required or the loss of leisure time available in Scenario 2.

### 3.3 Couples, Double Income, No Children

#### 3.3.1 Summary

This group was made up of both young people who had not yet started a family, and older couples with grown-up children.

For younger people the strongest drivers for work are around meeting financial and material goals, particularly establishing themselves with a home and belongings that will “set them up” to start a family.

Older couples were driven to work out of habit and planning for retirement.

There are no strong barriers to work or drivers to decrease work for these participants.

Government benefits are not a factor in these participants decision making, although they had some awareness of available benefits, they did not believe that these benefits apply to their situation.

Upon seeing the figures for different working categories some participants expressed a desire for one partner to drop to part time work. However, this was mainly expressed by older couples and was primarily based in the perception that they could comfortably survive and take some well-earned rest from the workforce.

#### 3.3.2 Drivers for Working

Participants reported the following reasons they will work, or work more:

- To earn money to pay the bills and eat. *“We have a mortgage and we have no choice really”. “I think it is a tragedy but you can’t afford to live on one wage anymore”.*
- To meet life goals like owning your own home. *“It’s about the quality of living depending on what you are used to and how you were brought up”.*
- To be independent from partners.
- For social interaction and to keep in touch. *“I have worked for 42 years and sometimes I am scared of what would happen if I don’t work, regarding social interaction or even, will I drop dead?”*
- For occupational enjoyment and personal satisfaction.
- For career advancement.
- To make use of qualifications.

Other reasons indicated, although less important were:

- To keep from getting bored. *“I get very bored at home...I choose to work to satisfy my lifestyle”.*
- For security - so they can earn as much as possible now and retire at an early age.
- So one can have fun and enjoy the extras in life, like holidays.
- For mental stimulation.
- To have some time out from their partner. *“I don’t know if I could spend the whole day with my partner day in day out – I mean I love him, but...”.*

- To improve one's perception of their social standing.

### 3.3.3 Drivers for Not Working

Participants nominated the following reasons for not working or working less:

- If they are offered a good redundancy package.
- If they wanted to spend more time in the garden, renovating the house or going on holidays.

No other reasons for not working or working less are reported by working couples without children.

### 3.3.4 Awareness of Government Transfer Payments

These participants were aware of benefits and assistance like the Baby Bonus, Parenting Allowance, Youth Allowance, Age Pension, First Home Buyers Grant, Study Allowance and Medicare Safety Net. Although this group was aware of the names of these benefits, they had limited to no knowledge of the eligibility criteria, the amount of support available or the abatement rates. The only thing these participants know with any certainty is *"they don't apply to me"*.

There were no consistent views about eligibility criteria or abatement rates among these participants.

### 3.3.5 Scenario Testing

Working couples identified closely with scenario 3 [one working full-time for \$31,200 pa (\$600 pw), other part-time for \$13,000 pa year (\$250 pw)]. This closely matched their personal circumstances (both people working). They also preferred Scenario 3 due to the extra disposable income, social interaction and independence it offered them.

After exposure to the actual scenario figures, most participants felt working couples are discriminated against versus couples where one partner stays at home. *"It's saying the working couples where one works full-time and one part-time are earning marginally more than families where only one adult works full-time. I think it discriminates. I think if you are working you should be paid an incentive for it. There should be more of an incentive to work"*.

Most felt scenario 2 (one working full-time for \$31,200 pa [\$600 pw]) was the most advantageous as the extra income attained under Scenario 3 is not worth the extra effort and loss of leisure time.

However, no-one in the group stated they would leave the workforce or reduce their working hours, based on the information presented. All felt that the effect on self-esteem would be more detrimental than any financial or time benefits.

## 3.4 Unemployed Couples, with Children

### 3.4.1 Summary

The strongest driver for working was meeting material goals and the avoidance of negative social stigma attached with being unemployed.

The strongest barriers to working came from a lack of motivation, the lack of suitable employment and the loss of benefits.

The availability of cash-in-hand work was also reported as a large disincentive to discard Government benefits and find a taxable income for some participants.

This group was highly aware of available government benefits, and the level of benefits available to the household is a major disincentive to finding legal work.

Most of these participants would like to move into employment with either one or both partners working, but low-income jobs would not provide a major benefit to their current situations, and if these benefits are all they can get, then they are content to remain unemployed.

### 3.4.2 Drivers for Working

Income was the highest reported driver for working: the desire to own more, increase quality of living standards, or retain/regain a certain quality of living. This point was particularly important for participants who have recently (within the last 12 months) become unemployed and have not adjusted to the consequent lifestyle changes.

Some participants were also driven to working for positive self-esteem because *"No-one wants to feel like a bludger"*.

For the longer-term unemployed participants (those participants who have adjusted to living solely on benefits), there were few real drivers for finding legal employment.

### 3.4.3 Drivers for Not Working

Participants reported the following reasons as high drivers for not working:

- An inability to find suitable employment - *"I'd love to get a job but I'm qualified in the advertising industry and I can't find the job I'm qualified for."*
- Lack of motivation or depression - *"My husband and I have been looking for a job for at least one of us for months, after so many knock-backs you have to ask 'why bother?'"*
- Fear of failure: not wanting to be turned down at interviews or being nervous about the interview process.
- Loss of benefits, particularly parenting payments, commission housing/rent assistance and the Healthcare Card.
- Transport concerns: cost and distance issues.

### 3.4.4 Availability of Work

Some participants in this situation were well aware of working opportunities but do not take them up in order to retain their benefits.

Indeed, some participants actively seek working opportunities that can provide them with an income while they do retain their benefits.

*"It's just not true if people say there's no work out there... it all depends on what you are willing to do. Three weeks out of every month I have a cashie job, so I can be working and getting the dole... with five kids it's the only way the missus and me can survive".*

### 3.4.5 Awareness of Government Transfer Payments

These participants were highly aware of benefits and assistance like the NewStart Allowance, Healthcare Card, Baby Bonus, Parenting Payment, and Medicare Safety Net.

Although there were no consistent views about eligibility criteria or abatement rates for this group, the prevailing perception was that as soon as you start earning a little taxable income, you start to lose benefits.

Unemployed participants were likely to actively seek out and apply for benefits.

Information sources used by this group included:

- word of mouth – which is also how they inform themselves of cash-in-hand opportunities; and
- Centrelink (phone or face-to-face most common).

### 3.4.6 Scenario Testing

Participants recognised they currently belonged in the first category.

If participants were seriously looking for work they would prefer to belong in the third category, which provides them with the highest income and therefore the highest impact on quality of life (however, they would prefer a much higher income than listed in the figures).

Most felt that the second category represented the closest to a realistic achievement (where one partner worked full time) and represented a good compromise between working and having one parent available to care for the children.

However, half the group were content to remain in the first category in order to protect those benefits to which they had grown accustomed - *"The extra money you make by working full time is not worth the effort... I'm worth more than that, I would need to be earning at least \$50,000 to make it worth what I'd lose".*

## 3.5 Singles, With Children

### 3.5.1 Summary

This included a group of employed single parents and a group of unemployed single parents. However, drivers and barriers to working, awareness of benefits and work preference was consistent regardless of employment status.

The strongest reported driver to working was the financial hardship of raising children and meeting one's own basic needs on the minimal assistance available through Government benefits. This motivation decreases as the family size increases (given the greater amount of Parenting Payment).

The strongest reported barriers to working included available time and energy to work and be a sole parent, the needs of children, the availability of flexible working conditions and the availability and quality of childcare.

Participants receiving benefits are highly aware of available benefits and loss of those benefits is a significant disincentive to working or working more hours, particularly Parenting Payments and Healthcare Concessions. On the other hand, gaining those benefits (or more benefits) is not a disincentive to work, meaning those single parents who have found suitable employment reported they would not leave the workforce or decrease their hours in order to gain further Government assistance.

Part-time work represented the preferred employment category because it provides extra income and time availability for children.

### 3.5.2 Drivers for Working

Participants reported the following important reasons to work or work more:

- To meet everyday financial commitments like rent and food. *"Financially is why you have to. You can't survive on a single parent income. I'm in a commission home which is means tested, if my wage goes up, my rent goes up and vice versa. But it's better than private rental, no single parent could survive". "Economically is the main reason you'd work more hours. I'd also do it for sanity; I couldn't stay at home all day everyday". "There are so many things kids need like school uniforms, excursions, school camps... and there's the after school activities like dance class, sports and just going to the movies...you need work to afford all those normal things".*
- For job satisfaction and enjoyment. If they really loved their work they would be inclined to work more hours.
- To experience an improved sense of self-esteem.
- If work opportunities came up with a supportive employer who offered flexible hours (and job security) so parents could work while their children were at school. *"Subway and McDonalds are so flexible which is a real bonus".*

Other, less important reasons nominated include:

- To stay mentally and physically active.
- To be independent from other family members. *"You can't live with your family forever".*

- Pressure from Centrelink to undertake paid work. *"If I didn't go to work they would have stopped my benefits"*.
- For social opportunities and interaction.
- If there are education and training opportunities enabling openings into genuine careers or good jobs.

### 3.5.3 Drivers for Not Working

Reasons reported by participants for not working or working less included:

- For the sake of the children. *"If your kids are younger you are more inclined to want to stay at home and look after them"*.
- If there was a lack of flexible working opportunities.
- If child care costs are too high.
- If work is not in close proximity or if transport costs are too high or if public transport is unavailable.
- If they are going to lose benefits like Concession Cards and pension payments. *"We are getting older, more medical problems, cancers, heart attacks...we are getting old. The Healthcare Card is crucial for us"*.
- One participant feared losing her Public Housing Commission home if she moved to full-time work. *"I'd lose my commission home...in 15 years I might not be working I don't want to be stuck in a private rental house. My priority would be to stay in a commission house"*.
- There was also a feeling that if you are not working and managing to get by on benefits, it often feels safer to remain in that situation than looking for work and exposing oneself to potential rejection and failure. *"Stay where you are...you feel more secure"*.

### 3.5.4 Awareness of Government Transfer Payments

Participants were highly aware of benefits and assistance like the Healthcare Card, Baby Bonus, Parenting Payment, and Medicare Safety Net. However, there were no consistent views about eligibility criterion or abatement rates for these groups. Some participants were highly knowledgeable about these issues whereas other participants were profoundly ignorant.

While some few participants were content to sit back and accept whatever benefits are made available, this group is more likely to actively seek out and apply for benefits.

Information sources used by this group include:

- Single parent social support networks (word or mouth)
- Centrelink (phone or face-to-face most common)
- News or publicity (current affairs shows are particularly helpful in exposing what benefits are available to people)

### 3.5.5 Scenario Testing

Working participants identified closely with Scenario 2 (earning \$15,600 pa [\$300 pw] from part-time job within school hours). This provided them with greater disposable income than Scenario 1 (not working receiving Parenting Payment) and still gives time with their children outside of school hours, unlike Scenario 3 (earning \$39,000 pa (\$750pw) working full-time).

After being exposed to the actual scenario figures participants confirmed they preferred Scenario 2 and rejected Scenario 3. The extra income attained under Scenario 3 would not compensate for the loss of time with children, the loss of benefits and entitlements or the extra effort that full-time work required. *"Seeing this I'd be about \$7000 dollars per year better off. But I might lose my pension card and I would lose my Parenting Payment but I'm also being slogged over 6k more in tax and I still have the kids to look after". "There is no incentive to work more according to these figures". "There is no incentive to go back to work... you're better off staying at home and looking after kids".*

*"If I'm working 45 hours a week and not spending time with the kids this would lower my self-esteem. I'd feel guilty and not work as hard as I would be thinking I should be at home".*

*"This (Scenario 3) isn't an incentive to work. We don't have a partner to back us up. Not being able to pick up my kids from school...I would worry if I was working all those hours".*

*"We've got a full-time job at home as it is. We are trying to survive in this world by earning a little bit more money... keeping our head above water and the wolves from the door".*

Some participants reported they would want to earn at least \$50,000 per annum to make full-time work worthwhile. Even at this level, full-time work was less attractive for those with young children.

## 3.6 Single Income Couples, with Young Children

### 3.6.1 Summary

In single income households, the responses of the working partner or non-working partner did not differ significantly. Decisions to be a single income household were primarily made based on a traditional value system around child rearing.

Strong drivers for working tended to be around the cost of living, including achievement of financial and material goals and meeting current debt responsibility.

Barriers to working or drivers to working less were reported to be the childcare needs of young children (needing one parent available at home), and the cost and quality of childcare facilities.

There was a fairly good understanding of Government benefits available among this group, but little reliance on those benefits in overall work decision making.

However, loss of Family Tax Benefits, Parenting Payments and Healthcare Card benefits has some influence on whether participants would work more or enter the workforce.

Most participants preferred a dual income working scenario, but only so long as both partners were paid highly enough to afford quality childcare and flexibility in working was available to at least one parent, to adequately meet the care needs of children.

### 3.6.2 Drivers for Working

Participants reported the following reasons as highly important to working or working more:

- To maintain or attain a lifestyle that enables them *“to do the things they want to do”* for their families and themselves.
- To meet life goals in terms of material assets, house, car and their children’s schooling.
- To keep up with the cost of living and rising expenses like petrol.
- For career advancement and to get ahead.

Other, less important, reasons reported were:

- To keep up social contact and interaction with others.
- To build towards financial security and superannuation for later in life.
- For the self respect that independence from government assistance engenders.
- For setting *“the right example for the kids”*.
- To improve or maintain their social standing and perceptions of how others see them.

The least important reasons nominated were:

- To give them an option or *“way out”* for leaving school. *“I couldn’t leave school until I got a job”*.
- To have a break from their children or partner.
- So they don’t have to deal with Centrelink and the hassle and frustration involved in trying to claim their legal entitlements.

### 3.6.3 Drivers for Not Working

Reasons reported by participants for not working or working less included:

- To ensure the welfare of the child. *“It is so important for the child’s development that they have one of their parents at home with them, at least until they are two years old”*.
- Taking up study or training opportunities.
- If they are paying child support payments and the rise in income from working was cancelled out by rising child support contributions.
- Similarly, if they are receiving a benefit or tax credit and the gains from working are wiped out by high marginal tax or benefit abatement rates. *“We worked out that if I got an extra \$3 per hour we would lose an extra \$80 per fortnight from our benefit”*. *“There is not much difference working four or five days as you pay so much less tax when you work four days”*.
- If the family already feels secure and comfortable with their present financial position.

Less important reasons reported for not working or working less included:

- If they are looking for another job.
- If their partner got a better job or started earning more money.

### 3.6.4 Awareness of Government Transfer Payments

These participants were aware of a full range of Government benefits and assistance but were also much less knowledgeable about eligibility criteria and when and how benefit abatement rates apply.

These participants mentioned the following assistance and benefits. Once again, the details reported here are based in participant perceptions and may not reflect the reality of available benefits.

- **NewStart:** the standard entitlement is around \$360 per fortnight but this varies according to personal circumstances such as the number of children in the family. Some feel one can earn up to \$500 per month before one starts losing this benefit. The low level of income support encourages people into work as the benefit is not considered enough to live on. In addition, Centrelink's monitoring and checking of jobseekers' job search activities and the threat of work for the dole also encourages recipients into work. Alternatively some feel the high benefit abatement rate forces many into the poverty trap as it appears counter productive to work more for very little extra money in the hand.
- **Family Tax Benefit (FTB) A and B:** some feel the maximum entitlement is \$150 per child per fortnight. Some feel the FTB discourages them to work as it makes it easier for one parent to stay at home and because of the way the FTB reduces as ones income increases. Some feel the FTB is not paid at a significantly high enough level to affect their employment decisions.
- **Concession cards:** this group was most familiar with the Healthcare Card. Entitlements include \$3.60 prescription charges, cheaper transport, access to dental services and assistance with medical and hospital bills. The group was unsure about eligibility criteria.
- **Disability Allowance, Carers Allowance, Emergency payments from Centrelink, The Baby Bonus and Child Care Assistance** are also mentioned but the group has little knowledge of eligibility criteria or benefit abatement rates for these types of assistance.

### 3.6.5 Scenario Testing

Participants strongly identified with and favored Scenario 2 (one working full-time for \$31,200 pa (\$600 pw). Participants passionately believe that one parent should be at home to take care of children until they are at least two to five years old.

When children are old enough (over five years of age) Scenario 3 [one working full-time for \$31,200 pa (\$600 pw), other part-time in school hours for \$15,600 pa (\$300 pw)] was preferred by some participants as this enables the other parent to earn extra money and maintain social contact with other adults outside the home.

All participants agreed that in Scenario 1 (not working, receiving Newstart Allowance and Parenting Payment) they would be motivated to find work if they found themselves in this situation. The key reported drivers involved in this decision included the perceived low level of benefits, wanting to avoid dependence on Government hand-outs and hassles with Centrelink, like being forced into work for the dole schemes, being able to access a good lifestyle, meeting life goals and dignity/self respect.

After being exposed to the actual scenario figures most participants still favored Scenario 2; most felt that the income offered in Scenario 3 did not compensate for the loss of family time and extra effort involved in working part-time.

The perception that staying home and looking after children is *"the right thing to do"* for the child's sake, is a powerful driver discouraging the second parent from working.

The cost of childcare (if there is no family assistance available) is also a major disincentive *"Any money I earn will go on childcare"*.

## 3.7 Single Income Couples, with Older Children

### 3.7.1 Summary

Again, in Single Income households, the responses of the working partner or non-working partner did not differ significantly. Decisions to be a single income household are primarily made based on a traditional value system around child rearing.

Strong drivers to working tended to be around personal satisfaction and enjoyment, the achievement of financial and material goals and meeting current debt responsibility.

Nominated barriers to working or drivers to working less were the perceived childcare needs of children (needing one parent available at all times), the cost of childcare and school holiday activities, availability of suitable employment and whether already attained financial security.

Awareness of Government benefits was good, but reported reliance on those benefits among participants was relatively low. That is, participants knew what benefits are available; however, very few of these participants were conscious of actually receiving any significant benefits.

FTB, Parenting Payments and the Healthcare Card has the potential to discourage participants to work more. The impact of the Healthcare Card on not entering employment was especially strong among non-working partners.

Furthermore, although FTB is received by this group, its overall contribution to income is only minimally understood. The primary income earner usually sees this benefit at the end of the financial year.

Dual income is the hypothetically preferred employment category for most participants, until the actual figures were examined and participants believed that the single income scenario may represent the best trade off between income and time available for family.

### 3.7.2 Drivers for Working

The most important reasons nominated by participants to work, or work more, are as follows:

- If they found their work rewarding, enjoyable and got a sense of personal satisfaction from their chosen occupation.
- To enable them to pay for necessities like food and shelter, children's schooling and *"to keep up with the cost of living and the mortgage"*.
- To attain a lifestyle that enables them to enjoy the extras like holidays a new car or new clothes. *"The lifestyle to get the things I want"*.
- To keep skills up to date and relevant for the workplace. This is considered especially important for parents over 40 years as these participants can find it harder to find work as they mature.
- To meet everyday challenges that stimulate the mind and proves to oneself that *"you can do it"*.
- For the social interaction and fellowship one can find in the work place.

Other, less important, reported reasons to work or work more included:

- For promotion and career advancement.
- In some jobs there is an expectation that you will work more hours as required by the employer.
- Some feel working meets a need for them to be seen positively as not being lazy.
- A perception that working improves one's social standing.
- Providing a positive example to children, instilling a work ethic.

Some participants also reported the following reasons:

- For the community's benefit and to contribute to society.
- To avoid having to deal with Centrelink and *"the hassles"* of the benefit system.
- To save for their children's future.

### 3.7.3 Drivers for Not Working

Participants nominated the following reasons as important in not working or working less:

- To ensure the welfare of the child *"cooking proper meals helping with homework"*.
  1. *"No one looks after your own kids as well as you"*.

.2. *"When I was growing up, my mum didn't work, she was always home. I went to work for 12 months after first child was born but once we had second child I wanted to stay home...childcare is bloody expensive. I don't want them coming home to an empty house".*

.3. *"It's more beneficial for the kids if you stay at home".*

.4. *"It is important for the mother to be at home, teaching your children values by staying with them...spending quality time".*

- Costs and problems arranging child care especially during the school holidays. *"You have to worry about the school holidays...how good are the holiday camps?" "The cost of childcare meant it wasn't worthwhile to do part-time work".*
- If they needed to spend more time with the family.
- If the family already feels like they are financially secure and comfortable.

Other, less important, reported reasons included:

- If they decided to take up study or training.
- If they are looking for another job.
- If they wanted more time for other things like renovating their house or playing sports.
- If they did not like their employer or staff where they worked.
- If they are approaching retirement age they might consider reducing their hours of work.

The least important reasons reported by participants were:

- If they are not getting any sense of enjoyment or satisfaction from their work.
- If they would lose proportionally more in income from government benefits or concession cards than they attained by working more hours. However, the Healthcare Card was high in the consciousness of non-working partners and the fear of loss of this benefit contributed to not entering the workforce for these participants.
- Some feel that being at home and looking after the children is working. Some of these parents also do voluntary work or help out at their school. These parents feel they are already contributing to society and should not be forced into paid work outside the home.
- Some female parents feel they are under pressure from their partner to focus on domestic work. *"Husbands get stressed because they've got to do the housework after work...I do it all for my husband". "I intentionally desert my husband sometimes so he washes the dishes sometimes cooks...Working parents don't have time to teach kids independence".*
- Some feel it gets harder to find work as one gets older. This is especially the case if one has been out of the workforce for a long time. By the same token, some non-working partners have habituated to non-working life and would prefer not to re-enter the workforce. Indeed, many non-working partners channel available time into volunteer work for schools or local charities.

.1. *"Its hard to get back into work once you're out for many years".*

.2. *"I want to go back to work but apparently I'm too old or ugly. I had to prove myself but no one wants to know about you – have to be young and beautiful...it applies for men too....it is definitely harder if you're older".*

- .3. *"I like having the time to do the things that I want to do. It's not like I'm not being productive if I'm not employed: I look after my family and when the kids are at school I do volunteer work at the local charity shop. I'm also involved in school fund raising, like fetes and other things – with three kids there's always things the school is asking you to do that takes up time and helps someone."*

### 3.7.4 Awareness of Government Transfer Payments

These participants were mostly aware of family related benefits and assistance. Consistent with other groups, these parents were less aware of eligibility criteria and when and how benefit abatement rates apply.

These participants mentioned the following assistance and benefits:

- **Parenting Payment:** the standard entitlement is around \$400 per fortnight but this varies according to the family's combined income. This benefit can act as a disincentive to work due to the affects of the abatement rate.
- **Family Tax Benefit A and B:** some feel the maximum entitlement is between \$60-\$120 per child per fortnight.
- **Healthcare Card:** this entitles one to free doctors' visits, \$3-\$4 prescription charges, discount entry into cinemas and discount to utility bills.

### 3.7.5 Scenario Testing

Participants reported that Scenario 2 [one working full-time for \$31,200 pa (\$600 pw)] is most like their current situation. However, overall most participants preferred Scenario 3 [one working full-time for \$31,200 pa (\$600 pw), other part-time in school hours for \$15,600 pa (\$300 pw)] due to the extra income attained plus the benefits to partners such as social contact, self-esteem and independence.

All participants agreed they would be very motivated to find work if they found themselves in Scenario 1 (not working, receiving Newstart Allowance and Parenting Payments). In this case Government assistance alone is perceived to be too low to survive on.

There was no consistent view amongst the group regarding whether they preferred Scenarios 2 or 3. All felt it came down to a personal choice dependant on the individual family aspirations and priorities: ie material possessions/consumer lifestyle versus time with the family.

Some participants felt the net financial gain would need to be at least \$400-\$500 per week to encourage them to move towards part-time work (Scenario 3). Issues like arranging and paying for child care, having to make special arrangements for the school holidays, extra transport costs and potential loss of benefits like the Healthcare Card, all reduce incentives to undertake part-time work. *"I'm worth more than \$300 for part-time work and what about the school holidays?"*

## 3.8 Double Income Couples, with Young Children

### 3.8.1 Summary

Strong drivers to working tended to be around financial needs of the household and personal satisfaction and enjoyment.

Barriers to working or drivers to working less were the perceived childcare needs, the cost and quality of childcare and the availability of flexible employment. However, these barriers to working are very weak compared to the financial and psychological benefits to working.

Again, awareness of government benefits was good, and there is some reliance on benefits, particularly Childcare Assistance.

Childcare Assistance, Parenting Payments and the Healthcare Card are high in this group's awareness, and some participants actively worked within threshold levels to retain those benefits for their household.

The preferred working category depended on how psychologically tied the secondary income earner is to employment. Some participants preferred to remain in a dual income category out of the personal psychological benefits of positive self esteem and independence gained through working. Other participants preferred to be in the single income category having more time with their children, however, they felt forced into work by the family's financial needs (eg high debt level).

### 3.8.2 Drivers for Working

Participants reported that the reasons for working or working more were:

- To earn money to cover financial necessities and to keep up with the costs of living. *"To pay the bills and put food on the table". "There is no choice if you're middle income you've got to work...if you're higher you don't have to...if you're lower the government helps you"*.
- To keep skills up-to-date and improve chances for career advancement. *"I've got a PHD and I'm middle class, I want to keep my ear to the ground". "If you're out of work for five years you have to go back to school"*.
- Because both partners love their work *"I'm in sales and get to travel around and take my clients out to coffee, it's so nice to be able to do that – I think I'd go insane if I had to stay at home and speak baby-talk all day"*.
- To maintain independence from partners. *"If my husband is working and I'm not, if I'm not careful I don't end up with a cent. It's beneficial to work I see it"*.
- To stay mentally healthy. *"My wife suffered depression and was out of work for 18 months. She had to work for her mental state and to feel better about herself"*.
- To make use of qualifications and experience. *"I didn't want to waste two degrees"*.

### 3.8.3 Drivers for Not Working

The most important reasons for not working or working less nominated by participants were:

- Child care costs. *"Child care is so expensive...if I go to work full-time I pay all of it out to cover child care". "If you earn above a certain amount you don't get anything. We are entitled to 99.99 % of our child care costs. That's deducted off my crèche fees, it's deducted back to \$100 a week. If I went to work I'd have to pay \$300 a week, I'd have to work more with overtime so the government can stick it. I can't afford to go full-time". "If Centrelink gave us the opportunity to stay home with kids by providing us with enough money there wouldn't be a lot of the issues we have now. They should pay child care at the same percentage as you work more hours and before your kids go back to school. They should reward us for going back to work by lowering taxes or the cost of child care".*
- There was a perception that staying home and looking after the children is more important than the material gains attained through extra work. *"My biggest frustration is that you feel pushed into work. We'd liked to be at home to be with the kids until they go to school. The frustration is there isn't enough money to go around. You don't get any benefits; they encourage people to go to work. But who's looking after the kids at home. It's detrimental to society in the long run. Who's going to employ you from 9am-3pm and what about school holidays? When they are sick? Before and after school care is so expensive. You end up taking off nine weeks in a year. You take annual leave in splits so there is no family time when you are all together".*
- A perception that part-time work and flexible hours can be hard to find. *"Part-time jobs are very hard to find. I only wanted to work three days a week because I wanted to spend time with my kids". "After my 12 months maternity leave they wanted me to come back to full-time...I said I need part-time, she was so inflexible...how can she be like that".*
- Lack of support networks to help out with child care responsibilities in emergency situations. *"We're pretty isolated out here, I don't have any friends or family close by to help look after the kids... if I did have someone close I might not need to work as much because childcare wouldn't be so expensive".*
- Variability in the quality of child care. *"The [XXX childcare centre] was terrible, they all are. There is no way I'd put them in an [XXX childcare centre]. I'd be prepared to take my child out and quit my job".*
- Potential loss of benefits can be a significant factor reducing incentives to work. *"My whole decision is based around how much of my benefit will get taken away. We won't earn over \$51,000 because what we get in benefits is too much to lose. I get \$300 from Centrelink and pay \$150 for childcare, if I went to work for \$300 a week I'd have to pay \$250 a week in child care".*

### 3.8.4 Awareness of Government Transfer Payments

These participants were aware of the Parenting Allowance (thought to be \$20 per child), and the Healthcare Card (cheaper prescriptions and cinema discounts).

Consistent with other groups these participants generally lack knowledge about eligibility criteria and benefit abatement rates.

### 3.8.5 Scenario Testing

Working couples identified closely with Scenario 3 [one working full-time for \$31,200 pa (\$600 pw), other part-time in school hours for \$15,600 pa (\$300 pw)]. This closely matched their personal circumstances (one parent working full-time, one working part-time). They also preferred Scenario 3 due to the extra disposable income it offered them.

All agreed that in Scenario 1 (not working, receiving Newstart Allowance and Parenting Payments) there would be a strong motivation to work as the benefit was perceived to be too low to live on.

Some preferred to be in Scenario 2 [one working full-time for \$31,200 pa (\$600 pw)] and felt they wouldn't be working unless they had to. *"I'd prefer to be in that group - the single income bracket. But my husband doesn't earn enough. So I'm obliged to work. If he had a consistent wage I'd prefer to stay at home"*.

## 3.9 Double Income Couples, with Older Children

### 3.9.1 Summary

Similar to the previous dual income group, strong drivers to working tended to be around financial needs of the household and personal satisfaction and enjoyment. In addition, this group was also aware of the need to save for retirement.

Reported barriers to working or drivers to working less were the cost and quality of childcare and the availability of suitable employment. Once again, these barriers to working were very weak compared to the financial and psychological benefits to working.

Again, awareness of government benefits was good, and there was some reliance on benefits, particularly the Healthcare Card for those participants who have experienced health problems in their family in the past.

Childcare Assistance, Rent Assistance, Parenting Payments and the Healthcare Card are high in this group's awareness, and some participants actively worked within threshold levels to retain those benefits for their household.

Without revealing the income available through benefits to difference employment categories, the preferred working style of this group was the dual income scenario. This preference was driven through long term habituation to the dual income lifestyle. Once the income figures were revealed this group was surprised at the level of support available under the single income household scenario. At this point most participants believed the single income category may be preferable, as much of the income earned in the dual income scenario is lost to childcare costs.

### 3.9.2 Drivers for Working

The most important reasons to work, or work more, reported by participants were:

- To earn money to cover everyday financial necessities like bills, mortgage and rent.
- To meet their life goals in terms of material assets, house, car and their children's schooling.
- For personal satisfaction, self esteem – *"feeling good about ones self"*.
- For job satisfaction because one genuinely likes their work and wants to do a good job.
- For independence so one can have their *"own life...own money...and can make their own choices and have freedom"*.
- For mental stimulation.
- To make use of their qualifications.
- To keep up with the costs of living.
- To build financial security both now and in the future.

Other, less important, reasons nominated included:

- To keep up social contact and interaction with others.
- To meet deadlines *"in some jobs you're expected to routinely work long hours"*.
- To get a break from the family and from domestic pressures.
- To enhance career prospects and build experience and confidence in ones skills.

The least important reasons nominated were:

- Some feel social pressures to work have a slight influence on encouraging them to work.
- For the challenge and to prove to oneself that they can do it.
- To *"keep up with the Joneses"* and to get the things *"the kids want"*.
- Some feel they may need to work more to cover for someone else's absence from work.

### 3.9.3 Drivers for Not Working

The most important reasons reported why these participants will not work, or work less, are as follows:

- If they couldn't get *"the right job"*. The right job is one commensurate with their skills and experience. There is also an issue around finding the right job with hours that suit parents that want to be at home before and after school ie 9-3pm.
- If transport costs are too high or if public transport is unavailable.
- A perception that child care costs are a significant barrier.
- A perception of variable quality of child care.
- If they are going to lose benefits like concession cards and pension payments.

- If they didn't like their work colleagues, supervisor or employer.

Other, less important, reasons were:

- If they are "*burnt out*" and need to reduce their hours to reduce stress.
- If they want to pursue hobbies or have more time for their family.
- If they decide to undertake study or training.
- If they dislike their job and feel a lack of job satisfaction.
- If they had a HECS debt and did not want to reach the repayment threshold.

The least important reasons indicated were:

- If the Child Support Agency (CSA) was going to take proportionally more of any extra income earned.
- Some also feel there is social pressure to stay at home and look after their kids. This is especially the case if they have young children (under two years).

### 3.9.4 Awareness of Government Transfer Payments

These participants were also mainly aware of family related benefits and assistance. Consistent with other groups, they were much less knowledgeable about eligibility criteria and benefit abatement rates.

These participants mentioned the following assistance and benefits and perceptions of those benefits:

- **Family Tax Benefit A and B:** most find this benefit extremely confusing. Some report the level of assistance can range from between \$80-\$200 per fortnight. This entitlement is not seen as being much of an influence and certainly not enough to live on - just enough to cover a few expenses.
- **Rent Assistance:** some feel the eligibility is based on the amount of rent they pay (this must be over \$150 per week). The maximum entitlement is \$80 per fortnight and this does not change according to income.
- **Child Care Assistance:** the group report the maximum entitlement is up to 100% cost of child care providing the first \$2.50 per hour is paid by the parent. The group was uncertain how income affected the entitlement. This entitlement is felt to encourage work.
- **Concession Cards:** the group was aware of the Healthcare Card. Entitlements include hospital, dental and prescription charge coverage. The group report that \$37,000 per annum is the cut off point for eligibility for the Healthcare Card.
- Some feel the potential loss of the Healthcare Card could discourage some from undertaking extra work, especially if some family members are regularly sick or have a chronic illness.

### 3.9.5 Scenario Testing

Working couples identified closely with Scenario 3 [one working full-time for \$31,200 pa (\$600 pw), other part-time in school hours for \$15,600 pa (\$300 pw)]. This closely matched their personal circumstances (one parent working full-time, one working part-time). They also preferred Scenario 3 due to the extra disposable income available.

Scenario 3 was also favored because it offered both partners better work/home balance in their lives, gives them social contact outside of the home, freedom, security and independence as well as mental stimulation. *"You work more you get more...as long as it is in school hours"*.

All agreed there is a strong motivation to work in Scenario 1 (not working, receiving NewStart Allowance and Parenting Payment) as the benefit was perceived to be too low to live on. *"It's only just enough to live on...no quality of life or thinking about the kids' future"*.

Most felt the incentive to work more is strong in Scenario 2 [one working full-time for \$31,200 pa (\$600 pw)] as the likely income available is still perceived to be much lower than if both partners are working.

After exposure to the actual scenario figures most preferred Scenario 2 and were surprised how much one can earn under these circumstances. The general view is the more one earns, the more one has to pay in childcare and this cancels out the extra benefits of working under Scenario 3.

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