



Submission to the Review of Australia's Future Tax System

4. Personal tax and transfers

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The AusIMM and WIMNet

This is a joint submission of The Australasian Institute of Mining and Metallurgy (The AusIMM), the leading organisation representing professionals in the minerals sector, and the Women in Mining Networking Committee (WIMNet), a network of professional women in mining operating under the auspices of The AusIMM.

Currently women account for only 18% of the mining workforce, compared with 42% of the total Australian workforce. The numbers of women in operational roles is particularly low, with women comprising only 7% of the technical professional workforce and 3% of the site based workforce.¹ Increasing the equitable participation of women in mining is a key goal for WIMNet and The AusIMM.

Policy Recommendation: Increase women's participation in mining through extension of the Fringe Benefits Tax Exemption to all employer-sponsored child care in rural and regional areas

The attraction and retention of women is increasingly viewed by mining organisations as a key strategy for addressing the skills shortage. Currently women account for only 18% of the mining workforce, compared with 42% of the total Australian workforce. The numbers of women in technical or operational roles is particularly low, with women comprising only 3% of the site based workforce.²

A number of companies have targeted recruitment drives aimed at women. However, as women are more likely to be primary carers for children, the lack of suitable, affordable child care for women in mining remains a major barrier to their participation in the sector. The recent Minerals Council of Australia report '*Attracting and Retaining Women in the Australian Mining Industry*' found that starting a family was the most common reason women left mining, and that finding a carer was virtually impossible.³

Women in the mining sector often have particular difficulty finding child care, as they are away from traditional support networks such as friends and family, and mines are typically located in rural and remote regions with limited child care places. For example, a female mining engineer living in Moranbah, QLD, has indicated that there are only six places per day for children under two for the whole town (population ~10,000).

The AusIMM congratulates the Rudd Government on its recognition of the importance of child care through such policies as: support for child care training, the creation of additional child care places and an increase to the child care rebate. This will make a significant difference to women accessing child care centres in mining towns.

However, as with past Government assistance, these policies focus their support for group care that takes place in a setting away from the child's home. For the most part, both child care centres and family day care only operate traditional working hours. As the mining industry is subject to shift-work on a roster system, with many mines operating non-stop, a group care situation is often not suitable for women in mining.

¹ Minerals Council of Australia, 'Unearthing New Resources – Attracting and Retaining Women in the Australian Mining Industry,' (May 2007) at http://www.minerals.org.au/data/assets/pdf_file/0016/20275/MCA_Women_In_Mining_Web_Version.pdf

² Minerals Council of Australia, 'Unearthing New Resources – Attracting and Retaining Women in the Australian Mining Industry,' (May 2007) at http://www.minerals.org.au/data/assets/pdf_file/0016/20275/MCA_Women_In_Mining_Web_Version.pdf

³ Ibid.

For many women the only option that will enable full time work in the mining industry is In Home care, or nannies. At roughly \$16 an hour, the costs of child care enabling full time work in the industry will exceed \$30,000 per year, and can account for half of a woman's after tax salary. These costs are a major disincentive for women to enter into, or stay in mining. One example from our membership was of a mining engineer who paid \$35,000 per annum for full time care for her two children (this included three days per week child care centre and two dpw nanny). She has since decided to quit work as a mining engineer and leave the industry, partly because of the cost and partly because of the stress of juggling childcare arrangements.

At present the Government does little to assist parents with the costs of In Home Care. The Child Care Tax rebate is not available for most parents using In-Home care, and the rebate itself is capped at only \$7,500.

Mining companies which wish to pay for their employees' In Home child care costs (or another option) find that their hands are tied, as the Fringe Benefits Tax Exemption is available only for employers who run their own child care centres. The risks and liabilities of running a child care centre, along with limited place availability, make this an unattractive prospect for most mining companies.

It has long been advocated by industry groups that the Fringe Benefits Tax exemption should be available for *all* employer sponsored child care, including In Home care. Organisations such as the WA Police and Department of Defence, which face similar challenges to those of the mining industry, have also indicated the need for a change in existing policy.⁴ The problems are particularly acute in rural and regional Australia.

Policy Recommendation:

Extend fringe benefits tax exemption to all forms of employer sponsored child care in rural and regional areas

⁴ Nicholson, J. 'Tug of War,' *About the House* (December 2006), pp 25-27 at http://www.aph.gov.au/house/news/magazine/ath29_tug.pdf .