



**The Hon Jenny Macklin MP
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MC11-003684

The Hon John Murphy MP
Chair
Standing Committee on Petitions
Parliament House
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30 MAY 2011

Dear Mr Murphy

Thank you for your letter of 16 March 2011 on behalf of the Standing Committee on Petitions regarding Paid Parental Leave and child care. I apologise for the lengthy delay in responding.

The Australian Government supports the choices families make in caring for their children, including support for parents who choose to care for their children at home. There is a range of government assistance available to help these families with the cost of raising their children, including Family Tax Benefit and the Baby Bonus.

The Paid Parental Leave scheme was introduced on 1 January 2011 to give more babies the best start in life by allowing parents the financial security to spend more time at home with their new baby in those critical early months. The Government has also committed to providing eligible fathers or partners with two weeks of Paid Paternity Leave for babies born and adopted from 1 January 2013. This reform will assist and encourage fathers and partners to also take time off after the birth of a child. Parents can take Paid Parental Leave in conjunction with employer-provided leave.

Extensive consultations found widespread support for the introduction of a Government-funded Paid Parental Leave scheme. The Government's scheme takes into account feedback from employers, employees and the community.

The Paid Parental Leave scheme does not reduce assistance to stay-at-home mothers nor disadvantage them. Currently, mothers who are not in paid work tend to obtain more assistance than mothers who have been in paid work, even where both look after their newborn child full-time for the six months after birth.

For example, a mother who has not been in paid work prior to the birth of a baby will receive, if eligible, the \$5,294 tax-free Baby Bonus and \$3,909 in tax-free Family Tax Benefit Part B in a full financial year. A mother receiving the taxable Parental Leave Pay will obtain the equivalent of the Baby Bonus and an average additional net gain of \$2,000. Family Tax Benefit Part B is paid to families with only one main income earner, recognising the reduced income of parents who choose to stay at home to care for their children. Family Tax Benefit Part B is not payable to families receiving Parental Leave Pay.

The Government has committed to a comprehensive review of the Paid Parental Leave scheme, starting two years after the scheme commences. The review will take into account emerging evaluation findings and the views of stakeholders and the public on the future development of the scheme. The amount of time off work that primary carers are taking to care for newborn or newly-adopted children will be considered.

The Government remains fully committed to the delivery of the 38 Early Learning and Care Centres, including six Autism-specific centres, announced during the 2007 election and referred to in your letter. The six Autism-specific centres support:

- children with Autism Spectrum Disorder (ASD) to participate in child care, early learning and education settings so that they can interact with other children and make the transition to further educational or therapeutic settings;
- parents and carers of children with ASD to participate in the community and manage the needs of their children; and
- the sector to develop strategies to improve access, collaborate to facilitate research and develop best practice, and to build workforce capability.

Each centre is staffed by a mix of early childhood education professionals and other specialists who may include psychologists, speech pathologists and occupational therapists. These early learning programs are making a huge difference to the quality of life for children with ASD and their families.

The petition also raises concern about the potential impact of long periods spent in day care on children less than two years of age. Apart from supporting workforce participation, child care can help parents to undertake activities that can be difficult with a small child – for example, attending doctors' appointments. Quality child care also provides children with important opportunities for learning and development.

Early childhood experts and professionals maintain that quality is critical when it comes to early childhood education and care. In recognition of this, the Government, in partnership with all state and territory governments, is implementing a new National Quality Framework that will apply across all Long Day Care, Family Day Care, preschool and Outside School Hours Care settings.

Caring for children is one of the most important activities anyone in our community can do. The Government is committed to supporting and strengthening families and recognises that families today have a diversity of parenting responsibilities and caring arrangements. The Government sees its role in relation to families as enhancing their choices, by helping to meet the financial needs of families and supporting a balance of work and family commitments. As part of this commitment, the Government makes a substantial contribution to the wellbeing of children and young people by providing family assistance payments.

Thank you again for writing on behalf of the Standing Committee on Petitions.

Yours sincerely

JENNY MACKLIN MP