Errata

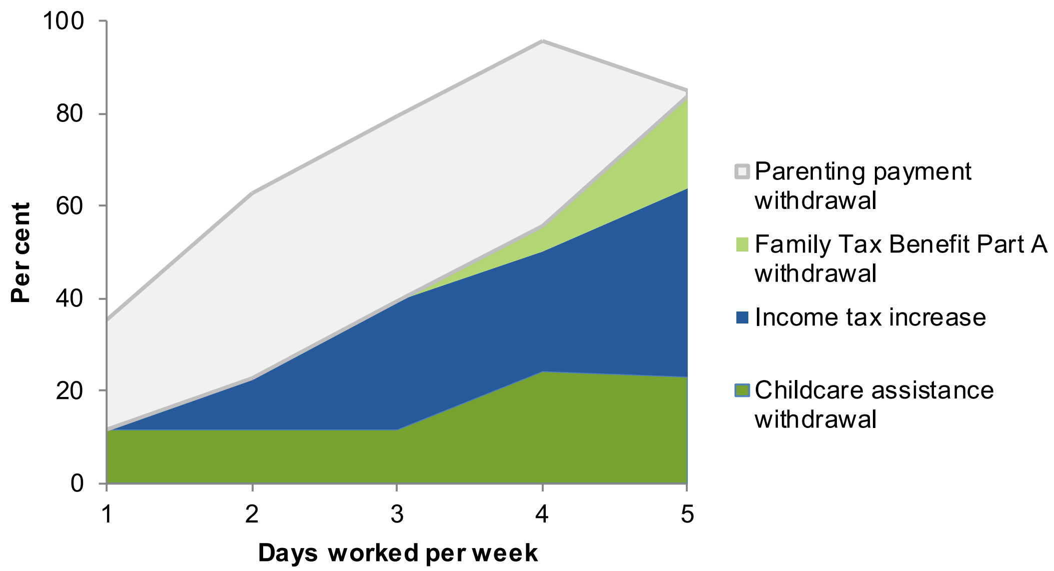
The Commission has identified an inaccuracy in its calculation of effective marginal tax rates for single parent families. This inaccuracy lies with the tax treatment and access to tax offsets of families eligible for Parenting Payment. These changes do not alter the conclusions of the report.

The following figures have been changed and are reproduced below.

- figure 4 in the overview, figure 6.9, the figures in box E.3, figure E.10 and the text description of figures 6.9, figure E.10 and box E.3 (all of which are based on the same representative family).
- the figures in box E.7 (which are based on another representative family).

Amended figure in final report, page 12

Figure 4 **Example of effective marginal tax rates[a]**



[a] Represents a single parent family with two children in long day care, as per ‘family 1’ in Box 5.

Amended text in final report, page 218

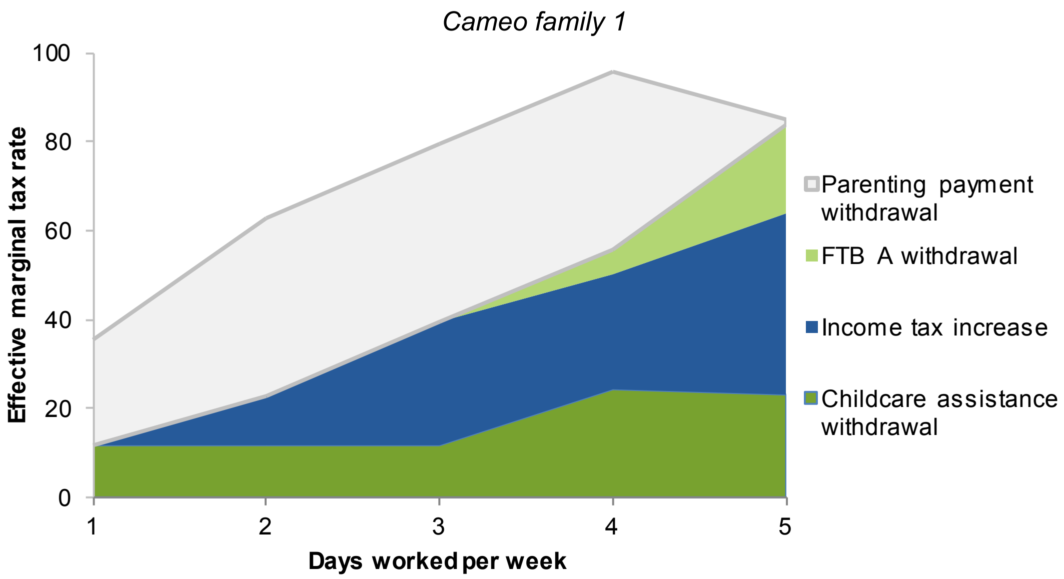
The first dot point should be amended to read:

- A single parent family with two children aged under 5 years with the parent earning $31.54 an hour (cameo family 1) could face an EMTR approaching 100 per cent if the parent worked four days.

Amended figure in final report, page 219

The first of three charts in figure 6.9 is amended to be:

Figure 6.9 **Effective marginal tax rates for second income earners in 3 cameo families**

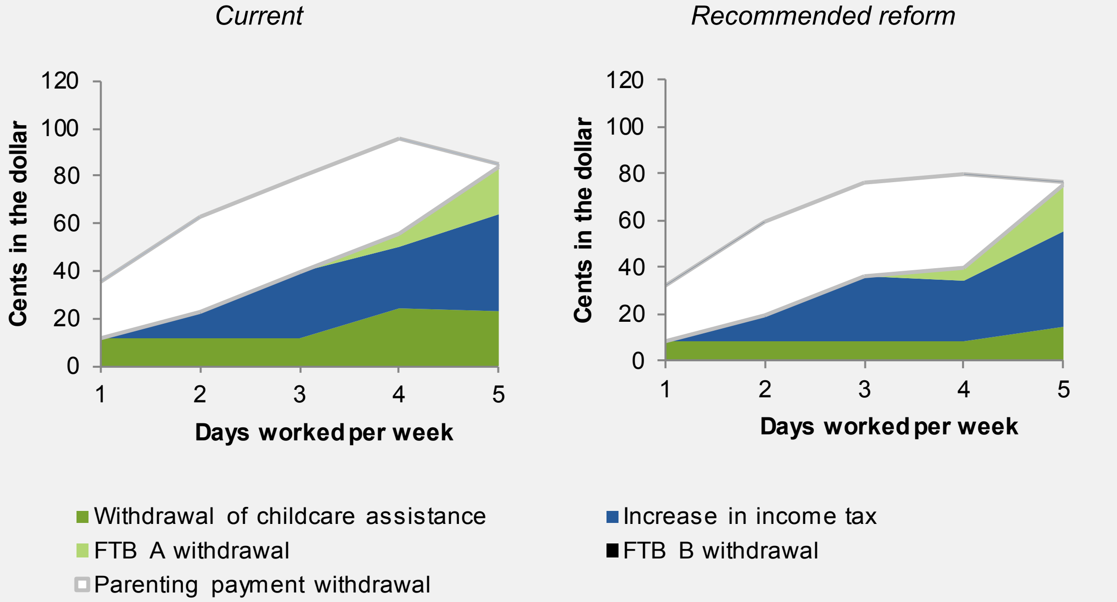


Amended box figures in final report, page 891

Box E.3 **Cameo 1**

Family structure	*Number of children (ages)*	*Type of ECEC used*	*ECEC fees*	*Wage rate of mother*	*Partners income (per annum)*	*Other factors*
			$/hour/child	$/hour	$	
Single	2 (2 and 3)	LDC	$7.27	$31.54	na	none

Effective marginal tax rates



Source: Productivity Commission calculations.

Amended text in final report, page 891

The final paragraph is amended to read:

Under the Commission’s recommended reforms, the mother would still face high EMTRs, but the EMTRs no longer approach 100 cents in the dollar for her fourth day at work because the effect of the withdrawal of childcare assistance on her EMTR is lessened. Her childcare assistance gets taken away more slowly — and consequently, her overall EMTRs are lower.

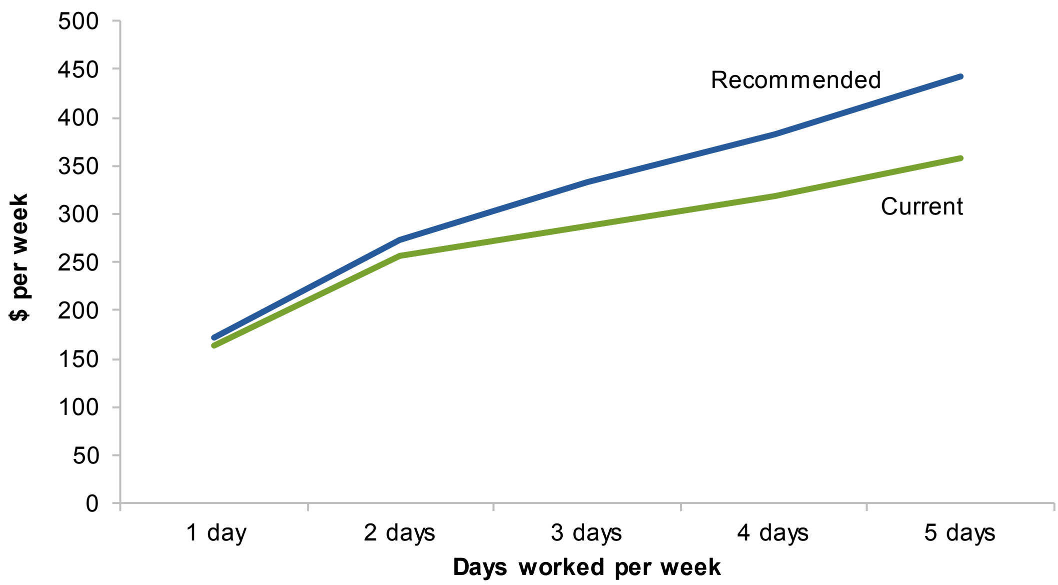
Amended text in final report, page 892

The first paragraph is amended to read:

It is not possible to determine if the Commission's recommended changes would entice the mother to work more hours. However, it is clear that the proposals would increase the likelihood of her working four or five days a week. Under current arrangements, her weekly disposable income would increase by less than $70 if she increased her work from three to five days a week (where disposable income is what remains after tax, changes in social security benefits and after deducting net childcare costs). Under the Commission's proposals, she would be able to increase her disposable income by just under $110 by changing her work arrangements from three to five days a week (figure E.10).

Amended figure in final report, page 892

Figure E.10 **Increase in disposable income**

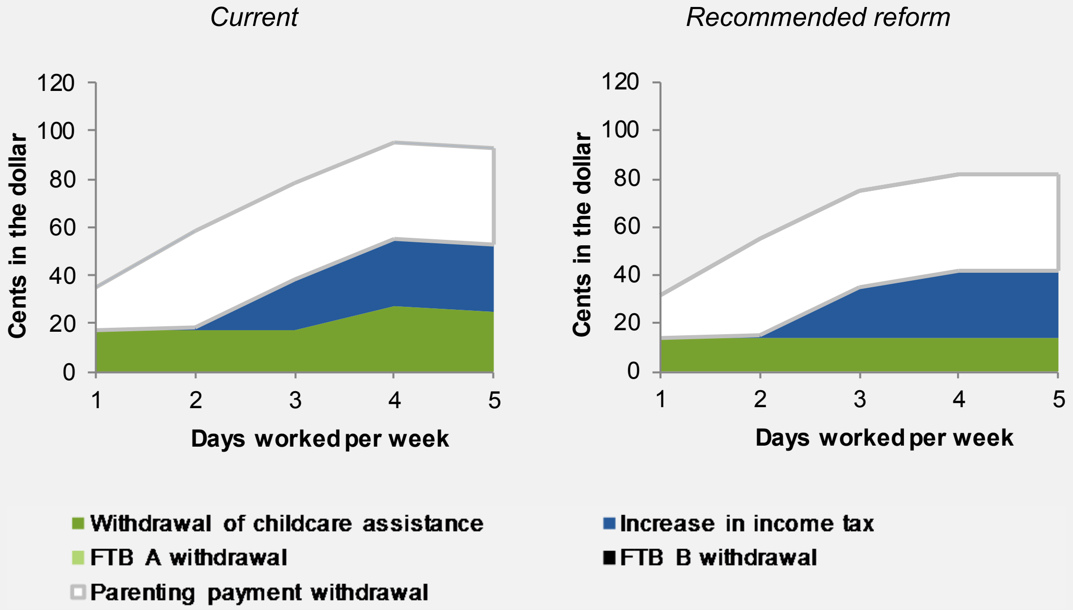


Amended box figures in final report, page 896

Box E.7 Cameo 5

Family structure	*Number of children (ages)*	*Type of ECEC used*	*ECEC fees*	*Wage rate of mother*	*Partners income (per annum)*	*Other factors*
			$/hour/child	$/hour	$	
Single	2 (2 and 4)	LDC	$7.46	$23	na	none

Effective marginal tax rates



Source: Productivity Commission calculations.