

Email 7-5-08

Hi there

I would like to be kept informed of this topic/progress please. Also I would like to put my argument regarding the baby bonus, which I recently sent off to the Prime Minister, Labour Party, Wayne Swan and a few other places. My storey was also aired on 2UE by Steve Price.

This is very relevant to paid maternity leave, as this could replace the bonus, and the facts are still the same.

Overview

I would like to raise some important factors that are rarely heard regarding the baby bonus. Your time in reading the below email and *support* in getting the message out is most appreciate. To give you an idea of what reasons the baby bonus must stay for at least the next budget:

- The cost to the country of people going public instead of private, and the hospitals losing much needed funding through private patients
- Few people have children, and the ones who do will have few children.
- Less 'family' time and values
- % of people who abuse the bonus will actually go up
- Cost of means testing the bonus and administering it
- Current no. of pregnant people who have based their decision and affordability on the baby bonus being offered.
- Election promises already broken
- The people on 50k who pay Sydney rental prices, private health insurance, university and studies to try and get ahead, that will have to give up those things.

The media have constantly raised the one sided argument against the bonus; the expense and the young people abusing it.

It imperative that another side (the majority) are heard. My storey is somewhat different and I believe it needs to be heard and am asking for your assistance.

In 2007 I realised I had fertility issues (after 3 years of trying to conceive) and spent time and money investigating what was wrong. In Sept/Oct 07 a treatment plan was sought and the Doctor asked me if I wanted to start my fertility treatment. My husband (whom I have been with for 8 years) and I sat together and worked out whether the timing was right, and based on our current finances, the maternity leave and the baby bonus, we decided we could afford it, and would start treatment. I am extremely lucky as it worked first round and I was pregnant in Nov 07, and I am now due 13 Aug 08.

The risk the baby bonus is going to be removed 6 weeks prior to giving birth has caused undue stress on me, and the baby, as this will have a *major impact* on us being able to afford our child. As it stands I will be able to take 6-8 months at the most before my child will have

to go to day care full time. This will be cut short and I will have to place a very young baby in full time care if the baby bonus is removed.

What is the cost to the country, if the baby bonus is removed?

- 1) I current earn \$58k and my husband earns \$42, which in Sydney is not a large wage. Out of this I am paying to go to university, which is approx \$140 per fortnight extra tax and I pay \$100 a fortnight in private health insurance and Sydney rental prices. I do this as I am a 'working family' and my husband and I are trying are hardest to be independent and be self reliant. Hence I am a private patient when having my baby. Should the baby bonus go, I will cancel the obstetrics and will be forced to go as a public patient, placing more strain on the hospitals, and costing the government a lot more than \$5000.
- 2) If a means test is brought in the cost to administer this will be greater than or as great as the baby bonus, and it will force more people to use the public system.
- 3) Families will be forced back to work sooner, placing more strain on Centrelink rebates for child care, and more on Childcare availability.
- 4) Less family value/quality due to the little time spent being able to raise children.
- 5) Less children (Human Capital), as families cannot afford to have 2 children in day care, and therefore have less children with larger age gaps to avoid this.
- 6) If the bonus is means tested the % of people who abuse the bonus will actually rise, as only lower income earners and relies of Centrelink will still abuse it, and less 'middle class' people will be able to afford children.

Other important information:

Whilst I do not believe the cost of a baby is anyone's responsibility other than the parents. This was a deciding factor in me starting my treatment when I did. Otherwise I would have delayed it for a further 6 months to enable me to get into a better financial position.

If the baby bonus is to be removed, the government should at least allow this payment to the people who were pregnant before the changes came to effect, as this was a deciding factor for many people not to delay their pregnancies further.

The media have been a large contributor to the 'frown' upon the bonus; as they have only highlighted the stories that make news. Rather than show what 'good' this can do.

The Rudd government made a promise to keep the bonus, and to support 'working families'. Yet are now back peddling and saying someone on 50k does not need government assistance. I do not call 'pulling the rug out from underneath' a family a way to support people. It should at least stay until the next budget, so people can plan this into their pregnancy/family planning, as would I have. The removal of the baby bonus will mean I have 2.5 less months at home with my baby, and has already placed undue financial strain and worries on me and the unborn baby.

As a recap on the important points:

- The cost to the country of people going public instead of private, and the hospitals losing much needed funding through private patients
- Few people have children, and the ones who do will have few children.
- Less 'family' time and values

- % of people who abuse the bonus will actually go up
- Cost of means testing the bonus and administering it
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- Election promises already broken
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I am more than happy to discuss this with you. Feel free to contact me at any time.

Kirsty Russell