

Leonie Johnson
New South Wales

5 June 2008

Parental Leave Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Commissioner,

As a working mother I have a strong interest in the issue of government payments for parenting and childcare. I believe that the current system of parenting payments and childcare benefits are fundamentally unjust, costly and not productive in the long term.

This inquiry should consider paid parental leave in the context of all other parenting payments and child care subsidies. It should ask the question, how much can we afford to pay parents when their children are young if we combine all existing payments into one?

The following should be investigated as part of this inquiry:

- costs savings from removing Family Tax Benefit Part A and B, Baby Bonus, Child Care Benefits and other similar payments
- short term productivity costs of removing the Child Care Benefit
- current research into long term productivity and social gains that could be achieved by allowing parents to choose appropriate care for their children
- cost of providing all parents with an income tested payment which could be used for living expenses, child care, paying grandparents or in any way they see fit. This costing should include a variety of options (duration and amount of payment, income cut off structure, potential employer contributions for those in the workforce).
- parental payment structures – for example, families with a history of abuse or neglect may need to receive part of their payment as a child care subsidy to ensure that children at risk are able to attend child care centers.

I believe that any government support for parenting should be based on families' right to choose how they wish to care for their children, without economic disadvantage. Parents who choose child care should be eligible for the same payments as those who choose to care for their children themselves.

For example, I chose not to send my children to day care because I felt that it was not suitable for my children. As work is a very important part of my life due to income,

personal satisfaction and career development, I chose to start my own business and work long hours combining paid work and caring for my children. I also had assistance from the children's grandmothers who chose to forgo pay by working shorter hours to care for my children on a regular basis. These are the choices that my family made, however, these choices meant that we received no Child Care Benefit and only some Family Tax Benefit Part A. Conversely, if I was earning the same income but putting my children into care I would have been eligible for a significant subsidy due to the Child Care Benefit. I would very much have like to paid the grandmothers for their income loss and I think that my time with the children should also have been recognised.

A government funded parent support system should recognise that parenting and caring for children within a family are just as important as institutionalised care. The current system de-values the important work of parenting.

If the child care industry lobby opposes such a system I would very much wonder why they felt that their centers needed to be propped up by the current government subsidy. Surely if the centers are of good quality and value for money then parents will make the choice to spend their parental payment on child care centers.

Please contact me should you wish to further discuss these matters,

Your sincerely,

Leonie Johnson