

23<sup>rd</sup> November, 2012

The Hon Julia Gillard  
Prime Minister of Australia  
P.O. Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Prime Minister,

We write to you as a group of concerned National Women's Organisations to ask that you make a reference to the Productivity Commission seeking a review of the provision and financing of childcare and out of school care services. This could include consideration of changes to current policy settings for Family Tax Benefit Part B, provision patterns and user costs for child care (including for school age children), and as well the introduction of measures to mitigate against the trends towards increasingly insecure work.

The Labor Government has introduced a number of important measures affecting female workforce attachment, including greatly expanded outlays on child care, a national Paid Parental Leave Program, and industrial relations reforms through Fair Work Australia.

We particularly commend your Government for the recent changes to taxation policy which will lift many low income earners out of the taxation system. However, there still remains significant outstanding issues.

We draw your attention to the fact that:

- a) while the changes to the LITO take the worker formally out of the system this has the effect of making transfer payments more important. In that income range we still have the FTBB issue as the main contributor to high Effective Marginal Tax Rates (EMTRs). Without consideration of the FTBB one consequence could be that if extra hours are at a lower EMTR for the male partner, he might simply work longer hours.
- b) a Productivity Commission Review could generate substantial benefits in terms of:
  - analysis of the benefits in productivity to the economy overall,
  - of the promotion of greater equality in the workforce,
  - of enhanced sharing of parenting roles between partners,
  - of enhancement of women's economic position,
  - of improved outcomes for children and youth
- c) these matters go well beyond the scope of individual Ministerial portfolio responsibilities

Our request in no way undervalues, nor does it undercut, recent and putative policy changes in regard to expansion of child care and measures to increase flexibility, and changes introduced to the Low Income Tax offset (LITO).

Our diverse group is influenced in our thinking by the recent report, " Game Changers" by the Grattan Institute; the findings in the recent ACTU Independent Inquiry into Insecure Work; the recent forum on Equal opportunity in an age of insecurity (co-hosted by the Brotherhood of St Laurence, economic Security4Women and WIRE Women's Information Service); the continuing public discussions around access and affordability of child care; and as well as consideration of whether there is evidence based potential for further reform to child care provision styles. We are also conscious that the Australian Research Alliance for Children and Youth (ARACY) has developed some research based proposals around care services.

We have previously made submissions to the Tax Forum and to the Inquiry into Australia's Future Tax System, highlighting issues for women in the current tax and superannuation systems, as well as our concerns about the disadvantages faced by women in achieving life- long economic security. Comments such as those from Dr John Daley (Grattan Institute) to the effect that Canada, a comparable society and economy, has achieved much higher rates of female work-force participation than is the case in Australia through policy settings which provide superior access to affordable appropriate child care, together with tax and transfer measures which encourage female workforce participation resonate with us.

We are also mindful of the ACTU Inquiry into Insecure Work that identified a number of measures which could be beneficial for women workers in particular, both lower paid workers and women in professions such as teaching, nursing, community care services and other industries associated with current growth trends.

It is clear that these important issues inter-relate across portfolios and have the potential to benefit Australia's society and economy if addressed appropriately. They are long-term issues, not related to an immediate budgetary framework.

Our group of organisations urge you to give our request regarding referral to the Productivity Commission, or comparable, the most careful consideration and would be very happy to meet with you to discuss this further. We are in discussions with the Australian Council of Trade Unions, and believe them to be supportive.

Yours sincerely



Sandra Cook  
(on behalf of)

Business and Professional Women, Australia  
economic Security4Women  
Equality Rights Alliance  
Young Women's Christian Association (Australia)  
National Foundation for Australian Women  
Australian Research Alliance for Children and Youth