

13 February 2017

Senator Stirling Griff

Federal Senator for South Australia (Nick Xenophon Team)

Re: Family Tax Benefit Changes – Omnibus Budget Savings Bill 2017

Dear Senator,

Further to our correspondence in November 2016, YWCA Adelaide would like to express our concerns regarding the proposed omnibus budget savings Bill before parliament. We also acknowledge and thank the NXT for your leadership thus far in protecting paid parental leave for working families.

YWCA Adelaide is a not for profit women's leadership organisation which has been providing a voice for women and girls in South Australia for 135 years. The organisation is well respected for its work in advocating for greater gender equality and creating strong and equitable communities through the development of women's leadership. YWCA Adelaide is part of the national YWCA Australia, and the World YWCA movement, the world's largest women-led membership movement with a global outreach of 25 million women and girls in over 120 countries worldwide.

YWCA Adelaide has grave concerns about the impact of the amendments to the paid parental leave scheme and the family tax benefit changes introduced in the omnibus budget savings Bill. These changes will have a myriad of negative consequences on families and in particular mothers, in addition to eroding the developing culture of employers and government sharing the responsibility for paid parental leave.

It is disappointing to see these proposed amendments being put forward so soon after an Inquiry conducted into Paid Parental Leave. We shares concerns with many other key organisations that these changes are being introduced before the reporting date from this Inquiry, and in a bundle with other changes to welfare, without careful consideration or taking into account the community sentiment towards supporting women and families in the workforce.

The proposed cuts could leave up to 72,000 working families with reduced or no access to entitlements, stripping \$491 million from the system overall.¹ Although these cuts to parental leave have been presented in a positive light, the small increases are set to benefit only a small amount of parents contingent on time taken away from other families. Children's critical early months of development will be affected if \$451 million is striped from the amount of current support available overall to working families, as proposed.

These proposed changes, and the discourse around a 'fairer system' demonstrate a lack of understanding about the purpose of paid parental leave, and the harmful impacts of reducing access to such leave for families and in particular women.

¹ Child care, paid parental leave, family tax benefit changes introduced in omnibus budget savings bill, ABC News, 8 February 2017, <http://www.abc.net.au/news/2017-02-08/omnibus-budget-savings-bill-to-be-introduced-to-parliament/8249754>

As we have previously stressed, the Paid Parental Leave Scheme was intended as a 'top up' for existing entitlements, and is one of the least generous schemes in the developed world². Australia's efforts are only third lowest to Portugal and the US – a country with no federally mandated system of paid parental leave and no guaranteed income support. Other countries are moving forward with their paid parental leave schemes for mothers, as well as offering substantial paternity leave. If these changes are implemented, Australia will be moving backwards.

The proposed cuts may result in changes to childcare accessibility; however they will have a notably adverse impact on the health and wellbeing of young children and parents in a period of critical bonding. Experts recommend 26 weeks as the minimum period of time off work needed for health and welfare benefits to parents and newborns. The implications of forcing women back to work due to changes to family benefits would be staggering. The Longitudinal Study of Australian Children found that women who took between 13 and 26 weeks parental leave were more likely to report that they were suffering from mental distress for up to two years than women who took more than 26 weeks rather than placing their children in child care to facilitate their early return to work.

Additionally, the long term benefits to children of breastfeeding exclusively to 6 months are well known: improved brain and cognitive development, measurable impact on school performance and later life and a decreased risk of obesity have all been clearly identified as benefits of prolonged breastfeeding.

We strongly urge the NXT party to oppose this Bill which would adversely impact the health and economic outcomes for parents and babies and set Australia backwards in our provision of paid parental leave in comparison with all other OECD countries.

We reiterate that this issue of paid parental leave entitlements should not just be seen within the perspective of savings measures; it should be seen as the provision of adequate support for parents at a critical time of their and their babies' lives, and to give both women and men the freedom to make their own choices in balancing childcare and their careers. Any changes to childcare accessibility should not be made at the expense of critical family tax benefits or a paid parental leave scheme that was intended to complement benefits provided by employers.

As we are based in Adelaide, if you would like to meet with us to discuss this matter further, we would be happy to do so at the soonest possible convenience given a potential impending vote on this Bill.

I can be contacted directly on 08 8203 9401 or via email liz.forsyth@ywca.com.au

Thank you for your time in considering this important issue, and we look forward to hearing from you.

Yours sincerely,

Liz Forsyth

Chief Executive

YWCA Adelaide

² OECD, *Key characteristics of parental leave systems*,
http://www.oecd.org/els/soc/PF2_1_Parental_leave_systems.pdf