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The Hon Jenny Macklin MP
Minister for Families, Housing, Community Services
and Indigenous Affairs

Parliament House
CANBERRA ACT 2600

Telephone: (02) 6277 7560
Facsimile: (02) 6273 4122

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The Hon John Murphy MP
Chair
House of Representatives Standing
Committee on Petitions
Parliament House
CANBERRA ACT 2600

Dear Mr Murphy

Thank you for your letter of 23 May 2011 about the River Nile Learning Centre petition for payment of the Baby Bonus during pregnancy. I welcome ongoing suggestions from organisations such as yours, about how to enhance our policies and service delivery.

The Australian Government is committed to providing financial support to families to assist with the costs associated with a newborn or adopted child. It also recognises the additional challenges faced by families on low incomes and have recently introduced improvements to access and delivery of the Baby Bonus.

From 1 July 2011, a larger portion of the Baby Bonus is paid in the first instalment to help parents to meet upfront costs such as a pram, child car restraints and other essential high cost items. The first instalment of the Baby Bonus is now \$500 higher than the subsequent 12 instalments, rather than payment in 13 equal instalments. The subsequent fortnightly instalments help families to meet other recurrent costs.

From 1 January 2011, the Government also introduced the Paid Parental Leave scheme, which gives more babies the best start in life and gives parents the financial security to spend more time at home with their new baby. The scheme has been fully costed and is funded by the Government. It provides Parental Leave Pay for 18 weeks at the rate of the National Minimum Wage (currently \$570 a week before tax) to eligible working parents whose child is born or adopted on or after 1 January 2011.

The early claim process provides convenient access to family payments including the Baby Bonus and Paid Parental Leave. Families can make an early claim up to 97 days before a child's expected date of birth or before the date a child will be entrusted into their care. This means that an initial assessment of eligibility can occur before birth or before a child is entrusted into care and families only have to provide proof of birth or confirmation that a child has entered care in order to start receiving payment.

The comments and suggestions made in the submission will be considered by the Government as it continues to monitor and review the family payments system to ensure that family payments are effective and appropriate in providing support to Australian families and their changing needs.

Thank you again for referring the petition.

Yours sincerely

JENNY MACKLIN MP