



The Hon Scott Morrison MP
Minister for Social Services

Hon Jenny Macklin MP
Acting Shadow Minister for Early Childhood
Member for Jagajaga
House of Representatives
Parliament House
Canberra ACT 2600

Dear Jenny

Thank you for your letter of April 17.

I am pleased to have received the news about Kate and David's new arrival and that you are now dealing directly with these issues on behalf of the Opposition until Kate's return. It is unfortunate that we were unable to meet last week due to our respective unavailability.

At my last meeting with Kate in Adelaide earlier this month, I verbally shared with her the Government's proposed approach to responding to the Productivity Commission Inquiry. I understand similar briefings were provided to you by my Department a few days later in Melbourne.

I also note that the Opposition has set out in various correspondence and statements the priorities and principles you believe need to be addressed.

To date we have provided a range of information in response to earlier requests made by Kate and I acknowledge that you have sought further detail, including modelling, in order to enable the Opposition to consider their position on this issue.

During the course of the past few weeks the Government has been engaged in intensive consultations with the child care and early childhood learning sector as well as families and other stakeholders to finalise our response and we are now close to a final position. We are also fast approaching the Budget deadline.

These measures obviously need to clear the Government's own decision making processes before being shared more broadly.

At the outset of these discussions it was understood that the prospect of a shared position on the response at the time of any announcement was neither necessary, nor likely. I agree, however, that the engagement and dialogue has so far been practical and positive. There is no reason why this should not continue.

The Government will be moving forward to make announcements on our proposed response prior to the Budget.

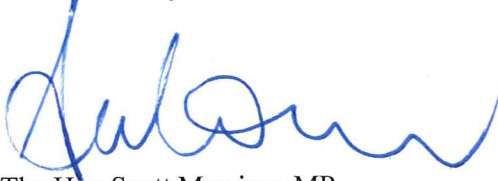
These announcements will be consistent with themes outlined in our meetings, briefings and public statements.

The Government's response will put forward a more simplified system that better targets support to lower and middle income earning families, while providing an early learning safety net for children from disadvantaged and low income families. We propose to increase the Government's investment in supporting families to be in work through these measures. The cost of this additional investment will be offset by our existing, but unlegislated, measures in relation to family tax benefit changes contained in last year's budget.

The Government has no expectations of the Opposition's response to our announcements. We respect that this is a matter for the Opposition's judgement. However, we will remain pleased to provide more detailed briefings to enable you to better assess the Opposition's position.

These measures will obviously be considered further through the legislative process following the Budget and I remain pleased to continue to work through these matters with the Opposition.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Scott Morrison', written over a blue vertical line.

The Hon Scott Morrison MP
Minister for Social Services

27 / 4 / 2015