

4 June 2008

FAMILY ASSISTANCE LEGISLATION AMENDMENT (CHILD CARE BUDGET AND OTHER MEASURES) BILL 2008

Second Reading

Mr BRADBURY (Lindsay) (9.03 p.m.)—I rise in support of the Family Assistance Legislation Amendment (Child Care Budget and Other Measures) Bill 2008. I am very pleased to do so, having been a person who campaigned very hard through the last election on the issue of childcare costs. Those on this side of the House went to the election with a very clear commitment when it came to child care and our plan for easing the costs on families that had their children in child care.

One of the key elements of our package of measures here is that not only do we want to ease the burden on working families; this is also very much targeted towards workforce participation. When you bear in mind both of those factors—easing the burden and lifting workforce participation—that feeds in very much to the overall strategy of this government when it comes to the budget. We have been determined to take the pressure off inflation and interest rates but at the same time to deliver much-needed assistance to those people doing it tough and to deliver it in a timely fashion—and this initiative will do that.

In short, the range of measures outlined in this bill will increase the rate of the childcare tax rebate from 30 per cent to 50 per cent. In addition the new childcare tax rebate, or CCTR, limit will be increased from \$4,354 to \$7,500. Most importantly for many families in my electorate, these measures will allow them to access the benefit of that rebate in a timely fashion. If they receive their benefit by way of fee reduction, they will be able to obtain that benefit on a quarterly basis.

The speakers on this side of the House who have spoken before me have articulated the arguments in favour of this proposal very well. I know that there are many families in my electorate depending upon this House and the other place to pass this legislation as a matter of urgency so the benefits can flow through and take some pressure off their budgets as soon as possible. But there were a couple of comments that the member for Warringah made that I would like to respond to. The first was that this was some sort of sleight of hand and that the government was misleading the Australian people. To echo the comments of the member for Deakin, I think it is a bit rich for the member for Warringah to come forward with such a proposition when his party, when they first announced the childcare tax rebate in the 2004 election—and I remember that well because I happened to be a candidate in the election—did not tell anyone anything about the fact that they would have to wait until the end of the 2005-06 tax year in order to claim the benefit through their tax return. Talk about sleight of hand! Apart from being a candidate, I have to say I was stung as a parent, and I was not very happy at having to wait that extra period of time in order to get a benefit. Frankly, the reality of the situation is that families need the relief as and when the fees need to be paid, not when they put their tax return in 18 months later.

The member for Warringah also said that this was a sleight of hand because there would be some losers out of this package. He was not very forthcoming on the type of scenario that might yield a loser. I undertook a bit of research—admittedly, I have not had a lot of time in the short space since the member for Warringah spoke—and, taking the average daily childcare cost in my electorate, \$60 a day for a child for a 10-hour period, I looked at two scenarios. One is a two-days-a-week scenario for a parent in part-time employment and the other is a five-days-a-week scenario. I looked at a family that is currently claiming the maximum amount of the minimum rate for the CCB, the childcare benefit. They are the only ones that I can infer the member for Warringah is suggesting might potentially be losers. If we take people in that situation and look at the five-days-a-week scenario, under the 30 per cent rebate with the minimum rate of the CCB, the benefit for that particular family would be \$109.74 a week. But, if we look at the 50 per cent rebate without the existence of the maximum amount of the minimum rate of the CCB, that family would obtain a benefit of \$40.26 a week. For the two-day scenario, the difference would be \$16.10. But, still, the family would be better off under our proposal. I challenge the member for Warringah, when he says that there are losers as a result of this package, to identify who they are, to come forward and tell us who they are, because I know that there are none of them in my electorate. In fact, there are none of them in this country. I defy him to come forward and identify them.

The final comment that I would like to make is in response to the comment of the member for Warringah that this would push prices up. That is an interesting revelation from someone who was part of a government that designed the model in the first place. This was the best thing since sliced bread when they introduced it at a 30 per cent rebate. Now all of a sudden they say, 'This will deliver no benefits to working families because it will simply be passed on by way of increased fees.' Let us have a bit of balance in this debate. The member for Warringah, who along with his colleagues was one of the great advocates of the 30 per cent rebate when it was first introduced, must concede that the 50 per cent rebate will deliver an even more significant benefit. It is a great benefit to working families in my electorate. I absolutely stand by the election commitment we made, and I am very pleased to be speaking in support of it in the bill that is before the House tonight.