

MEDIA RELEASE

1 February 2017

Parents welcome childcare priority but are devastated single mums are being asked to pay for it

Parents across Australia are heartened that child care reform is back on the Government's agenda with the Prime Minister today restating his desire to implement the reforms as soon as possible but are disappointed that he still insists vulnerable families will have to pay for it.

The Prime Minister used his address to the National Press Club to outline his government's commitment to introduce their long awaited childcare reforms but announced that the funding for these reforms will be tied to significant cuts to family payments.

Leading parent advocacy and campaigning organisation The Parenthood is urging the PM to stop using the family budget to fix the federal budget and abandon the cruel act of taking money from the pockets of vulnerable families to pay to make childcare cheaper for other families.

Jo Briskey, Executive Director of The Parenthood said the government had already made the savings it needs to pay for the childcare reforms and it should push ahead without slogging vulnerable families.

"Parents have been waiting years for much needed childcare cost relief but today is just another disappointment with the government remaining adamant that their relief must come at the expense of families," Ms Briskey said.

"The idea that making childcare cheaper for families can only come from cutting Family Tax Benefits is frankly absurd. It is taking from one hand to give to the other and a number of families who might have expected to benefit from the childcare reforms will find themselves worse off as result" Ms Briskey said.

Recent modelling conducted by the Australian National University, commissioned by The Parenthood, found that many families who might otherwise have benefited from the new childcare package will actually lose financially if cuts to FTB are used to pay for childcare reforms.

"If the FTB cuts go ahead a family on \$70,000 a year, with mum working part time and a child in childcare two days a week at an \$80 a day centre, will be over \$1,000 worse off a year from when the new childcare subsidy starts in 2018-2019," said Ms Briskey.

"We urge the Prime Minister to abandon the harshest FTB cuts and reform childcare.

"By doing so he would save single parent families significant heartache while easing the financial pressure of childcare on working families.

"So the question is - why does the government keep pursuing this cruel link between their childcare reform and slashing Family Tax Benefits?

"Parents have been waiting too long for promised childcare reform, but today reaffirm that we stand resolute against more affordable childcare being paid for by those who can least afford it"

END.

Contact: Jo Briskey, Executive Director, The Parenthood 0423 262 449.

BACKGROUND

Comparison of proposed Coalition policy of Childcare and Family payments with current policy - Ben Phillips and Cukkoo Joseph, ANU Centre for Social Research and Methods, September 2016

Results

The cameos were calculated for 5 family types:

- 1) Couple family, both working, one child in 2 days of long day care, one in school
- 2) Couple family, both working, one child in 5 days of long day care, one in school
- 3) Couple family, at least one not working, one child in 2 days of long day care (fails activity test), one in school
- 4) Single parent, working, one child in 2 days of long day care, one in school
- 5) Single parent, working, one child in 5 days of long day care, one in school

For each cameo we provide results for income levels between \$40,000 and \$340,000 per year with an interval of \$10,000 per year. Child care prices are set at \$80, \$100, \$120, and \$140 per day where we assume the family uses 11 hours of care for each day. Results are summarised for both 2017-18 and 2018-19.

As the Coalition policy for child care begins in 2018-19 the 2017-18 results are only impacted by the proposed family payment changes.

NEW CHILD CARE SUBSIDY COMBINED WITH FULL CUTS TO FTB

Days	Family type	Family Income	\$80		\$100		\$120		\$140	
			2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
2,Fail AT	couple	\$40,000	-\$1,347	-\$3,406	-\$1,347	-\$2,442	-\$1,347	-\$1,477	-\$1,347	-\$984
2,Fail AT	couple	\$60,000	-\$1,347	-\$2,774	-\$1,347	-\$1,809	-\$1,347	-\$845	-\$1,347	-\$352
2,Fail AT	couple	\$70,000	-\$1,347	-\$6,147	-\$1,347	-\$6,147	-\$1,347	-\$6,147	-\$1,347	-\$6,147
2,Fail AT	couple	\$100,000	-\$1,066	-\$4,254	-\$1,066	-\$4,254	-\$1,066	-\$4,254	-\$1,066	-\$4,254
2,Fail AT	couple	\$150,000	\$0	-\$649	\$0	-\$649	\$0	-\$649	\$0	-\$649
2,Fail AT	couple	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2,Fail AT	couple	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2,Fail AT	couple	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2,Fail AT	couple	\$340,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	couple	\$40,000	-\$1,347	-\$1,533	-\$1,347	-\$805	-\$1,347	-\$77	-\$1,347	-\$213
2	couple	\$60,000	-\$1,347	-\$1,216	-\$1,347	-\$488	-\$1,347	\$240	-\$1,347	\$104
2	couple	\$70,000	-\$1,347	-\$1,046	-\$1,347	-\$336	-\$1,347	\$374	-\$1,347	\$229
2	couple	\$100,000	-\$1,066	-\$690	-\$1,066	-\$183	-\$1,066	\$324	-\$1,066	\$75
2	couple	\$150,000	\$0	\$351	\$0	\$520	\$0	\$689	\$0	\$267
2	couple	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$508
2	couple	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$508
2	couple	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$508
2	couple	\$340,000	\$0	-\$2,266	\$0	-\$2,833	\$0	-\$3,399	\$0	-\$4,197
5	couple	\$40,000	-\$1,347	-\$1,777	-\$1,347	-\$359	-\$1,347	\$2,956	-\$1,347	\$5,010
5	couple	\$60,000	-\$1,347	-\$1,124	-\$1,347	\$294	-\$1,347	\$4,262	-\$1,347	\$6,316
5	couple	\$70,000	-\$1,347	-\$787	-\$1,347	\$1,040	-\$1,347	\$5,018	-\$1,347	\$7,051
5	couple	\$100,000	-\$1,066	-\$690	-\$1,066	\$2,176	-\$1,066	\$5,692	-\$1,066	\$7,490
5	couple	\$150,000	\$0	\$1,769	\$0	\$4,517	\$0	\$7,264	\$0	\$8,669
5	couple	\$180,000	\$0	\$1,575	\$0	\$3,938	\$0	\$6,302	\$0	\$7,511

5	couple	\$200,000	\$0	\$1,575	\$0	\$2,370	\$0	\$2,370	\$0	\$2,370
5	couple	\$250,000	\$0	\$1,575	\$0	\$2,370	\$0	\$2,370	\$0	\$2,370
5	couple	\$340,000	\$0	-\$3,575	\$0	-\$2,499	\$0	-\$1,423	\$0	-\$873
2	single	\$40,000	-\$1,347	-\$1,533	-\$1,347	-\$805	-\$1,347	-\$77	-\$1,347	-\$213
2	single	\$60,000	-\$1,347	-\$1,216	-\$1,347	-\$488	-\$1,347	\$240	-\$1,347	\$104
2	single	\$70,000	-\$1,347	-\$1,046	-\$1,347	-\$336	-\$1,347	\$374	-\$1,347	\$229
2	single	\$100,000	-\$1,347	-\$1,132	-\$1,347	-\$625	-\$1,347	-\$117	-\$1,347	-\$366
2	single	\$150,000	\$0	\$351	\$0	\$520	\$0	\$689	\$0	\$267
2	single	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$508
2	single	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$508
2	single	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$508
2	single	\$340,000	\$0	-\$2,266	\$0	-\$2,833	\$0	-\$3,399	\$0	-\$4,197
5	single	\$40,000	-\$1,347	-\$1,777	-\$1,347	-\$359	-\$1,347	\$2,956	-\$1,347	\$5,010
5	single	\$60,000	-\$1,347	-\$1,124	-\$1,347	\$294	-\$1,347	\$4,262	-\$1,347	\$6,316
5	single	\$70,000	-\$1,347	-\$787	-\$1,347	\$1,040	-\$1,347	\$5,018	-\$1,347	\$7,051
5	single	\$100,000	-\$1,347	-\$1,131	-\$1,347	\$1,734	-\$1,347	\$5,250	-\$1,347	\$7,048
5	single	\$150,000	\$0	\$1,769	\$0	\$4,517	\$0	\$7,264	\$0	\$8,669
5	single	\$180,000	\$0	\$1,575	\$0	\$3,938	\$0	\$6,302	\$0	\$7,511
5	single	\$200,000	\$0	\$1,575	\$0	\$2,370	\$0	\$2,370	\$0	\$2,370
5	single	\$250,000	\$0	\$1,575	\$0	\$2,370	\$0	\$2,370	\$0	\$2,370
5	single	\$340,000	\$0	-\$3,575	\$0	-\$2,499	\$0	-\$1,423	\$0	-\$873