

# Childcare rebate not enough for families in 2017, Education Department says <sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

New figures from the Department of Education show 3,600 families hit the annual cap on the childcare rebate just halfway through the financial year.

The data shows these families used up all their rebate by mid-January, leaving them with no Government support and full fees until the end of June.

The department figures show 94,000 families were expected to reach the cap by the end of the financial year.

The Government is using these figures to ramp up its calls for changes in the sector.

It wants to streamline multiple childcare subsidies into one means-tested payment, with the highest amount going to the lowest-income families.

It also wants to remove the annual cap on the amount of childcare rebate paid to most families, which is currently set around \$7,500 per child for each financial year.

For families earning more than \$185,000 the annual limit would be increased to \$10,000.

The Government has argued those changes should be paid for by cuts to family tax benefits and it has included both moves in its omnibus savings bill.

But that bill looks unlikely to pass the Senate.

Education Minister Simon Birmingham said the new department data showed change was urgently needed.

"It beggars belief that the Labor Party, meant to be the party of supporting families, is of course depriving those hard-working families of more support to actually go out, get to work, without the fear of childcare costs gobbling up all that they earn," he said.

But shadow early childhood spokeswoman Kate Ellis said Labor would support the childcare package if it was amended and separated from cuts to other welfare payments.

"Labor would pass the childcare changes tomorrow if the Government fixed the flaws in their package and dropped the cuts to families, pensioners and the 70,000 new mothers who would be worse off," she said.

"But even then there would be no relief for parents hitting the cap this financial year or next because Malcolm Turnbull has delayed his proposed changes until mid-2018."

Ms Ellis said at the last election Labor promised to lift the cap immediately to help struggling families.

"All this Government has done on child care is play games and delay action," she said.

Current rebate figure is out of date, childcare provider says

The new data was in line with previous figures showing families were hitting the cap earlier and earlier each year.

Childcare provider Goodstart Early Learning estimated 114,000 families would hit the rebate cap this financial year.

It said the rebate lasted almost the entire year for a typical family in 2008, but would now last the same family only 30 weeks.

Senator Birmingham defended the Government's failure to fix the problem sooner.

"The Government has been trying for some time to see our reforms implemented and we are seeking to do so and we're ready and willing

to negotiate," he said.

"But Bill Shorten and the Labor Party have never come to the table."

The Government's changes to child care have been on the table since 2013.

-reprinted from ABC News

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