

# Childcare windfall for dual-income families [AU] <sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

Working mums will be the big winners from the Federal Budget as their families' annual potential earning power rises by up to \$7000.

While spending will be slashed in other areas, new tax cuts and childcare rebates will deliver sizeable relief to dual-income families.

Treasury analysis seen by the Herald Sun reveals a "typical" family with two children in day care would benefit by about \$3600 a year.

The model assumes a primary breadwinner on \$50,000 and a second earner working three days a week.

If both parents worked full-time, the benefits would rise to about \$7000.

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It is likely to be one of the few pieces of good news in the Budget, which will cut funding across a range of sensitive areas. Health, education and welfare are among those likely to suffer deep spending cuts.

The dramatic gains for working mothers are a departure from the generous support for stay-at-home mums offered under the Howard government.

"In recent years, rising childcare costs and tax disincentives under the Liberals have made it difficult for many mums to rejoin the workforce and boost the family income," Treasurer Wayne Swan said.

"Our tax and childcare packages are designed to provide relief to working families by rewarding the millions of supermums who do such a great job balancing work and family life."

Under the Government's childcare package, unveiled before the election, families will get a 50 per cent rebate on costs -- up from 30 per cent -- paid every quarter.

The tax changes include a lift in the 30 per cent rate threshold and the increase of the Low-Income Tax Offset.

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There are fears that the extra money in the hands of families could be poured straight into the economy in consumer spending, worsening the inflation crisis.

But the Government argues the measures increase the productive capacity of the economy by increasing the size of the workforce.

"In an environment where skills shortages are adding to inflationary pressures, encouraging mums to re-enter the workforce is a vital economic goal," Mr Swan said.

- reprinted from the Herald Sun

**Region:** Australia and New Zealand <sup>[2]</sup>

**Tags:** budget <sup>[3]</sup>

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