

# Vanstone rejects 'baby bonus' [AU] <sup>[1]</sup>

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**Source:** Herald Sun

**Format:** Article

**Publication Date:** 4 Aug 2003

## AVAILABILITY

See text below.

## EXCERPTS

Most women would rather have a guaranteed childcare place or more security in returning to their job after they had a baby than "a limited amount of cash in hand now", Family and Community Services Minister Amanda Vanstone believes.

Breaking ranks with her colleagues, Senator Vanstone argues today in a Liberal discussion paper, Options, that women would prefer long-term support to a quick cash payment. The remarks are a criticism of the Howard Government's Baby Bonus and put her at odds with Employment Minister Tony Abbott, who is believed to favour expanding cash incentives.

"I suspect if you asked most working women who left the workforce to have a baby if they wanted a limited amount of cash in hand now, or greater certainty of childcare availability and the chance to return to work &em; they would not choose the cash," Senator Vanstone writes.

She told The Australian yesterday that studies by the Organisation for Economic Co-operation and Development showed there was no link between cash payments and fertility rates. "Every family wants more cash. If you asked 200 women if you would like more money, they would all say yes," she said. "But I'm making the point that women are returning to work not just for the money but for the longer-term option of being back in the workforce."

The debate underlines the difficulty the Howard Government has had in producing its welfare reform package &em; now two years overdue &em; after a major report by Mission Australia chief Patrick McClure.

The Australian Council of Social Service will launch today its preferred model for the overhaul of the welfare system &em; arguing for a guaranteed minimum income, no matter which welfare payment a person receives, and a disability supplement to their main allowance.

"Currently the system is a hodge-podge where people in similar circumstances receive different amounts via a complex series of separate payments, each with its own conditions, rates and eligibility requirements," said ACOSS president Andrew McCallum.

The Baby Bonus, which provides tax relief of between \$500 and \$2500 for up to five years, was a key plank in the Coalition's 2001 election pitch.

It had been expected to provide \$335 million of aid to families in its first two years, but so far has delivered only \$230 million, prompting Labor to claim it is a "flop".

Some in the Government have argued privately that the Baby Bonus be scrapped to pay for some form of universal maternity allowance, such as 14 weeks at minimum wage levels, as proposed by federal Sex Discrimination Commissioner Pru Goward.

Opposition family and community services spokesman Wayne Swan accused the Government of allowing inequality to increase through its inaction on welfare reform.

-Reprinted from The Herald Sun.

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

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

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/child-care-news/03/08/vanstone-rejects-baby-bonus-au>

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