



Clarifying Statement – Mrs Louise Markus MP

In general, I support the report. I believe that its recommendations will help Australia move through this current transition where more women are being educated, entering the workforce, and increasing their influence in workplaces. This is also a time where men are being encouraged to play a greater role at home.

However, there is an aspect of the report where I believe a different approach needs to be taken.

Recommendations 17 and 18 will allow high income earners, depending on their circumstances, to obtain higher assistance for child care costs than that available to middle and low income earners. To my mind, this proposal does not meet the standards of fairness expected by the community.

For a tax deduction to be fair, I believe it should have an additional component. Firstly, there should be a cap or sliding scale to moderate the amounts available so that high income earners do not receive significantly more child care assistance than middle and low income earners.

Uncapped tax deductions that favour the wealthy could create market distortions such that providers might be inclined to service wealthier people at higher cost on the basis that they have a deduction, rather than servicing middle and lower income families who have less capacity to pay. Over time uncapped tax deductions are likely to push up fees, which may impact unfairly on low to middle income earners.

If government were to make further investment then some of that should be shared with lower and middle income earners.

In developing these recommendations in relation to child care costs, I note that the committee has sought to ensure that no-one is worse off by retaining all current arrangements. I support this approach in principle.

Although government assistance works well for the child care categories that exist, additional impetus to develop new, innovative categories in the community and private sectors would create further flexibility and choice for families.

From the evidence presented during the inquiry, it appears that parents have had little opportunity to contribute to how child care assistance is structured in this country.

I would like to see further evidence based research targeted at identifying what assistance families need.

The report also discusses in-home care arrangements, including the Commonwealth's In-Home Care Program. This program is under review. If changes are made to the In-Home Care Program, I ask they be monitored from the moment of implementation and an evaluation conducted within 18 months of their commencement.

This evaluation could include an analysis of how the program helps people manage their work and family responsibilities. It could also examine whether the service provided to parents is flexible enough to meet their needs, such as through client surveys.

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