



Bronwyn Bishop MP

Chairman

House of Representatives Standing Committee on
Family & Human Services

MEDIA RELEASE

10 October 2006

Government agencies to tell Committee the benefits of salary sacrificing child care

Wednesday 11 October 2006

Three government agencies will provide evidence tomorrow (11 October) to the House of Representatives Families Committee on the benefits of allowing their staff to salary sacrifice the cost of child care.

The Department of Foreign Affairs and Trade, the Department of Finance and CSIRO will be giving their views to the Committee, chaired by Bronwyn Bishop, for its inquiry into balancing work and family at the public hearing in Canberra.

These agencies have the highest numbers of staff currently salary sacrificing child care within the Australian Government. The employees in question are paying for child care with pre-tax dollars, which is equivalent to a tax deduction.

Mrs Bishop said evidence before the Committee “highlights the lack of a coherent policy with some agencies able to offer salary sacrifice for child care and others not – all on the basis of whether they have child care premises on site”.

A ruling of the Tax Commissioner on Fringe Benefits Tax (FBT) imposes restrictions on the ability of government agencies, companies and other businesses to enable their staff to benefit from salary packaging for child care. If organisations don't have employer provided child care facilities then their staff can't salary package their child care costs.

“The Committee supports employers who assist their staff in making their child care arrangements. This selective treatment, however, hits hard for those parents who work for smaller businesses and companies, in particular, that can't provide child care facilities.”

At the hearing, the Committee will explore how some government agencies can offer their staff access to child care facilities and beat the tax ruling. The hearing is open to all members of the public.

PUBLIC HEARING SCHEDULE: Wednesday 11 October 2006

Venue: Committee Room 1R3, Parliament House, Canberra

Time: 10:15am – 12:00pm

Participants: Department of Foreign Affairs & Trade, Department of Finance & CSIRO

For media interview: Please contact Damien Jones on **0409 147 247** at the electorate office of the Committee Chairman, the Hon Mrs Bronwyn Bishop MP.

For further information on the public hearing: contact the Committee secretariat on (02) 6277 4566 or mobile 0421 053 822 or email or visit the website at

www.apf.gov.au/house/committee/fhs