



# Bronwyn Bishop MP

*Chairman*

House of Representatives Standing Committee on  
Family & Human Services

## MEDIA RELEASE

20 June 2006

## Does the Government make money out of child care?

The Treasury and the Australian Tax Office will give evidence to the House Families Committee tomorrow (21 June) as part of the current parliamentary inquiry into balancing work and family.

The House of Representatives Committee will explore claims made in a 2004 Department of Family and Community Services report that every dollar spent by the Government on child care improves its bottom line by \$1.86. More childcare means that more people (parents and child care workers) are participating in the paid economy and the Government is paying less on benefits.

The hearing will also investigate the cash economy in the child care sector. Overall, the cash economy could be as high as 14 per cent of GDP (\$30 billion). In 1998, the Cash Economy Task Force identified child care as one of the fastest growing sectors in the economy. The Committee has heard that the cash economy is thriving in the nanny and in-home care sector, largely as a result of parents wishing to pay less for care.

Committee Chairman Bronwyn Bishop said, "The cash economy hurts honest businesses due to unfair price competition."

"These cash arrangements also put our children at risk because the carers do not have TAFE or other qualifications," Mrs Bishop said.

"If child care assistance improves outcomes for children and is a money-spinner for the Government, then we need to examine whether child care assistance needs to be increased."

### Public Hearing Schedule for Wednesday 21 June

**Venue:** Committee Room 1R3, Parliament House, Canberra

<b>Witnesses:</b>	Private citizen	10.15 am – 10.45 am
	The Treasury and the Australian Taxation Office	10.45 am – 11.45 am

**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 email [fhs.reps@aph.gov.au](mailto:fhs.reps@aph.gov.au) or visit the Committee's website at [www.aph.gov.au/house/committee/fhs](http://www.aph.gov.au/house/committee/fhs)