

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates, 16 & 17 February 2005

Question: Add 31

Topic: Costings of Child-care Measures

Hansard Page: E96

Senator Sherry asked:

Can you provide me with a breakdown of the actual money impacts of the following two measures:

- The backdating to 1 July 2004; and
- The modifying time period

Answer:

The actual money impacts of these two measures is reflected in the published Election Costing and the MYEFO costing.

- The Charter of Budget Honesty costing was done on the basis of the policy announced during the election.
- The Treasurer announced changes to the Child Care Tax Rebate in his press release of 20 December 2004, which were included in the 2004-05 MYEFO.
 - The first change was to backdate the introduction to 1 July 2004 to allow families to claim an additional six months. This change increased the overall cost of the package by increasing the time period it covered.
 - The second change was to modify the time period for claiming the rebate to the tax return subsequent to when the child care expenses were paid. Thus, child care expenses paid for in 2004-05 will be claimed in the tax return for the 2005-06 year. This change changed the timing of the cash costs, not the amounts.