



**Media Release: 21 October 2007**

**Gold star: TOCC congratulates Labor on its Affordable Childcare Plan**

The Taskforce on Care Costs (TOCC) congratulates Labor on the announcement today that, if elected, it will increase the Childcare Tax Rebate from 30 to 50%. "Labor deserves a gold star for an excellent initiative" says Juliet Bourke, Chair, TOCC, "as making childcare more affordable will boost the economy by enabling parents to better balance work and family". "We welcome Labor's adoption of TOCC's plan to manage childcare costs", says Bourke.

Over the last five years childcare has become significantly less affordable. TOCC's Childcare Affordability Index (developed by ANZ Economics) shows that between 2001 and 2006 childcare costs increased by 65%, whilst household income has increased by only 17%. "Childcare costs were like a run-away train" says Juliet Bourke, Chair TOCC. "We need a significant injection of funds to pull that train up short, and Labor's proposal will do that".

TOCC's analysis of Labor's proposal is that it will make childcare 40% more affordable. "Labor's proposal will be of significant benefit to working families and middle income earners in particular. This group really feels the squeeze as they are ineligible to receive the full Childcare Benefit, and yet still face high childcare fees" says Bourke.

TOCC's research shows that currently 1 in 4 carers are likely to leave the workforce because of the cost of care. "This is not just an issue for parents, the high cost of care is hurting the economy as parents feel forced to exit the workforce or reduce their hours", says Bourke, "The opportunity to really address this issue has been taken up by Labor's proposal".

Setting the level of reimbursement at 50% will meet community expectations, and provide a good return on investment. TOCC's 2006 random sample national survey of working carers showed that 75% want care costs shared equally with Government. "Reimbursing childcare costs at the right level will help increase workforce participation rates and decrease welfare expenditure" says Bourke, "Given the diminishing number of new entrants into the labour market, and the aging of our working population, enabling parents to stay or re-enter the workforce, by making childcare more affordable, is a good strategic move for our economy".

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**Notes**

**About TOCC:** TOCC is supported by over 45 high profile business and non-government organisations. TOCC was established in 2003 to investigate the relationship between work and the cost of care, and propose sustainable and fair solutions to give carers choice. For more information visit [www.tocc.org.au](http://www.tocc.org.au).

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