

Taskforce on Care Costs welcomes House of Representatives Report on balancing work and family

Sydney 8 December 2006

The Taskforce on Care Costs congratulates the House of Representatives Standing Committee on Family and Human Services on the release of the “Balancing Work and Family” report today.

“The Committee has put work and family back onto the front page, and that is exactly where it needs to be” says Juliet Bourke, Chair of Taskforce on Care Costs. “The high cost of care is a handbrake on Australia’s economic prosperity and we need to resolve the issue now.”

The Taskforce’s research shows that care costs have increased by 10% over the past year, and 79% of Australians with caring responsibilities say that these costs have influenced their current working patterns, up 12% from 2004.

“1.25 million Australians tell us that they are likely to leave the workforce because of the cost. How can we ignore this risk? We need more employees, not less” says Bourke.

The Taskforce welcomed the Committee’s recommendations to expand the Child Care Benefit and Child Care Tax Rebate to fully cover registered care (eg family day care, private pre-schools and nannies).

The Taskforce on Care Costs proposed alternatives however, to the Committee’s recommended introduction of a tax deduction for care costs and the extension of Fringe Benefits Tax arrangements.

“A tax deduction or FBT exemption sounds good at first blush,” says Bourke “but it’s not fair and there’s no evidence to show we can afford it”.

The Taskforce recommends the reimbursement of 50% of out-of-pocket care costs (capped at \$10,000 pa per household). “We have costed our model for child care and shown that it will pay for itself”, says Bourke. The Taskforce’s model provides for the *immediate* reimbursement of care costs, not when a person lodges their tax return. “The Taskforce’s model is fair” says Bourke, “because it delivers a greater benefit to those who need it, ie low income earners. In contrast tax deductibility and Fringe Benefits Tax exemptions benefit those on high incomes”.

The Taskforce intends to launch a Carer Affordability Index to monitor the cost of care in February 20

About the Taskforce: The Taskforce on Care Costs is a strategic alliance between more than 40 high profile businesses and not-for-profit organisations. See tocc.org.au for details.

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