

Thank you for the opportunity to make a submission.

I am a senior government lawyer with a 3 year old and a 1 year old, both of whom are in childcare while I work part time.

I want to emphasise the importance of the childcare rebate on workforce participation.

With the rebate, I spend 25% of my post tax income on childcare. If the rebate is removed, that would go up to 50%. In that scenario, I think that I would still choose to work. However, it does raise the question, at what point is it not worth working? If childcare costs the same or only a bit less than a person earns, it turns work into a hobby, or a luxury. It should be neither of those things.

If the rebate is to be means tested, it should be means tested on the second income, not on the couple's income. For a couple, it is the impact of childcare costs on the second income that is relevant to whether that person works or not. Denying women access to the rebate on the basis of a partner's income would simply result in many women leaving the workforce, which is not desirable.

From a productivity perspective, I query the logic of paying for a generous parental leave scheme, but cutting back on assistance for childcare. Parental leave is a significant issue, but only in the short term. I doubt that many people would decide whether to have a baby or not based on the availability of paid parental leave. People have babies because they want them, and will take whatever payments they are entitled to. The cost of childcare, on the other hand, has a very direct bearing on workforce participation, throughout the child's entire babyhood and childhood.

My children are in a council run centre. It is excellent. The staff are professional and dedicated. I would not be happy sending my children somewhere where the standard of care is lower than is currently required by law. I think the existing quality framework is working well and I do not think that anyone should have to put their child in substandard care in order to be able to afford to work. I would be very disappointed if, as a result of this inquiry, childcare standards were lowered.