

This submission is written in haste, as I understand that the submission deadline is today.

Please can you consider as part of the enquiry into childcare funding whether **childcare costs could be paid out of pre-tax income**. It seems to me logical that childcare costs that are paid in order for a parent to work should be deducted from income before tax is applied. I would be so grateful if you could consider this as a possibility instead of other structures, such as increased levels of benefits.

Where a business incurs costs that relate to its operation, those costs are deducted from the business's revenues before tax is calculated. My suggestion follows this same logic.

#### Background

I have previously been an employer of a nanny to look after my 2 children (I now have 3 children – 2 girls and an 8 month old boy). I work full time, in a job that demands long hours and considerable commitment – this was the reason my husband and I chose to employ a nanny rather than rely on out-of-home childcare. My husband is a full time student – in his last year of a medical degree, which involves 9-5 lectures/work in hospitals and then considerable amounts of extra study on top of that. A medical student with 3 children is a rare beast because the course is so demanding! We have relied primarily on my income, supplemented by a small amount of additional income from my husband's weekend work at hospital. Whilst I am in a high income bracket, once the costs of our nanny were deducted from my salary each month, we did not break even.

Rather than a 'service' being sought from a childcare centre, I was actually employing a person. If I were a business, this would have been a cost that would have been taken into account in calculation of my tax. Why not so where I am an individual?

It may not be the solution, but PLEASE do consider this fully as a possible solution to get working parents back into the work place.

Please let me know if you need more information.

Kind regards  
Annabel Griffin