

Committee Secretary
Senate Education, Employment and Workplace Relations Committee
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Parliament House
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Due 4 June 2010

Re: Family Assistance Legislation Amendment (Child Care Budget Measures) Bill 2010

Australian Community Children's Services (ACCS) welcomes the opportunity to comment on the proposed amendment to A New Tax System (Family Assistance) Act 1999 to set the annual child care rebate limit at \$7,500 for 4 years commencing 1 July 2010.

ACCS supports the Federal Government's decision to cap the Child Care Rebate (CCR) at \$7,500 per child per year; however we believe it is crucial that funds that would have been put into the CCR through annual indexation be rolled into an increased rate of Child Care Benefit (CCB).

ACCS has always argued that the CCR is a flawed mechanism and calls on the Government to abandon the rebate and roll the funds into increasing CCB fee subsidies for low and middle income families. High income families on \$100,000 a year or more receive double the rebate of families on low incomes of under \$30,000. Child Care Benefit is a progressive system of support for families, offering the highest assistance where it is most needed. The rebate undoes all of the good work of CCB.

Yours faithfully



For Prue Warrilow
National Convenor