



25 July 2014

Committee Secretary
Senate Education, Employment and Workplace Relations
Legislation Committee
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Dear Secretary

Re: *Inquiry into the Family Assistance Legislation Amendment (Child Care Measures) Bill (No. 2) 2014*

Ai Group makes this submission in response to the Committee's inquiry into the *Family Assistance Legislation Amendment (Child Care Measures) Bill (No.2) 2014*.

The Bill would maintain the Child Care Benefit (CCB) income thresholds at the amount applicable as at 30 June 2014, for three income years to 30 June 2017.

Employers have a strong and direct interest in child care matters:

- Employers need their employees to be able to attend work as required;
- Employers want their employees to remain in the workforce after taking parental leave;
- Employers benefit from increased workforce participation (e.g. it increases the pool of skilled people available from which to recruit); and
- Employers want their future employees to have had the best possible early learning foundation in order to improve future literacy, numeracy, education, training and skills.

Ai Group supports affordable child care measures to improve workplace participation, particularly of parents of young children. The CCB is an important mechanism to help parents cover the cost of approved child care.

Ai Group understands the decisive steps which the Federal Government has taken to put the Federal Budget back on a firm long-term footing, and the need to rein in spending growth.

In Ai Group's view, the Bill is not likely to have an impact on productivity which we would generally think of as the amount produced per unit of labour employed. The Bill may have a small impact on workforce participation.

As Ai Group has submitted to other inquiries, the Government's proposed 'gold plated' Paid Parental Leave (PPL) Scheme should be abandoned and the existing PPL Scheme retained. This would allow additional funding to be devoted to child care measures. If additional funding was available through the abandonment of the proposed PPL Scheme, the measures in this Bill may no longer be necessary.

We would be happy to provide any further information that the Committee may require.

Yours sincerely

Stephen Smith
DIRECTOR – NATIONAL WORKPLACE RELATIONS