

Federal Government pledges \$40b for struggling families in pre-budget package

- by: *Exclusive DANIEL MEERS National Political Reporter*
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- Struggling families will have up to 85 per cent of childcare subsidised
- Budget will also leave more than 170,000 pensioners \$30 a week better off
- \$1.3 billion to fight cancer and eye disease plus \$300m drought package
- Scott Morrison says government won't impose more taxes to pay for package

NEARLY \$40 billion will be set aside over the next four years to get mums and dads back into the workforce, tomorrow night's budget will reveal.

The landmark figures will be unveiled as part of the entire Jobs For Families Childcare Assistance Package which treasury estimates predict will leave four out of five families better off.

Struggling families will have up to 85 per cent of their childcare subsidised as part of a package which will reward parents who choose work over welfare.

Labor is set to come under extreme pressure to pass billions in savings measures before the senate, particularly a proposal to cut Family Tax Benefit B, to fund the package.

Last night senior Labor figures conceded the package appeared to be a good one on face value but were refusing to budge on funding the package through family tax measures.

Prime Minister Tony Abbott revealed "dinner table" conversations were behind childcare becoming the centrepiece package of a 2015/16 federal budget which will also include a major pension overhaul leaving more than 170,000 pensioners \$30 a week better off, \$1.3 billion to fight cancer and eye disease as well as a \$300 million drought package.

"We've all been part of those family dinner table conversations where one partner says to the other: 'now at the kids are a little bit older I would like to go back to work'," he said.

"But when you do the sums, what you're earning, what the child care is costing, what it is costing you to get to and from work, it's hardly worth it.

"We are changing the economics of going back to work so that we will get more work."

He maintained budget spending would not proceed unless savings were made to cover the cost.

The government believes the package is an economic platform rather than a welfare package.

It is hoped the package would increase working hours in more than 240,000 families.

Families earning between \$65,000 and \$170,000 a year will be about \$30 week better off.

Sixteen billion dollars will be committed to current programs.

Social Services Minister Scott Morrison, who devised the package, said the government would not impose more taxes to pay for the package.

“We are not going to tax Peter, Paul and Mary to support this increased investment,” he said. “It’s important that where we invest in new initiatives — which we are here — then we need to ensure that we’re taking funds that we already have available to us.”

Shadow Treasurer Chris Bowen said Labor would look at the package but likely ask the government to make savings in other areas.

“Any package which assists in cost of living and work force participation making it easier for parents to participate in the work force is welcome and we’d have a look at that,” he said.

“But for the Government to link this to the cuts to family payments is disingenuous and cruel.”

Mr Abbott said he believed the spending plan was sensible.

“I think a sensible trade-off here between savings in the social security area, savings in the family tax benefit area which then are reinvested in child care,” he said.

Mr Morrison said the increase in families returning to the workforce would improve the economy.

This is a package which is encouraging people to be in work, stay in work, get in work because when families are in work they’re less dependent on welfare.”