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Childcare Australia

Coalition senators split over government's childcare bill

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A [Coalition](#) split over support for stay-at-home parents has flared during debate on the government's childcare bill, amid revelations drafting errors would make it less generous than intended.

On Tuesday evening Nationals senator Matt Canavan and Liberal senator Gerard Rennick spoke against the bill in the Senate, relitigating a dispute that surfaced in the Coalition party room in June when [Coalition women hit back at claims working women were "outsourcing" parenting](#).

The pair warned the bill does nothing for stay-at-home parents, benefits high-income earners, and adds to the growing cost of subsidies.

The government bill proposes to [increase the childcare subsidy for families with two children in care](#) and scraps the \$10,560 subsidy cap for high income earners at a cost of \$1.7bn.

The government announced the changes in May, seeking to counter Labor's offer to scrap the cap and to increase rebates to 90% as a productivity enhancing measure to encourage women back into work.

Canavan told the Senate he would not support the bill, "not necessarily" because of the changes it makes but because "it seems completely out of whack ... that we cannot find any assistance for those families who decide to look after their own children".

"[I] want to support families who make the choice to work and therefore have to provide and pay for childcare for their young children, but there are, of course, families who make the decision for one or other of the parents, or sometimes both, in combination, to look after their own children," he said. "We should support that choice as well."

Canavan claimed that two families earning \$150,000 - one with both parents working and the other with a stay-at-home parent - could face a difference in their tax bill of up to \$18,000, due in part to \$7,000 in childcare subsidies for the family with both parents working.

He argued that families who earn more than \$200,000 are the "absolute top few per cent" and "shouldn't be at the front of the queue for government assistance".

"If you are lucky enough to have a household income of that kind of amount - I'm in that category - and you decide to bring a child into the world, I think, primarily, it should be your responsibility to look after that child."

Rennick said his "problem with this bill is that it continues the arms race whereby the more we increase childcare subsidies, the higher childcare fees go".

He argued subsidies were ineffective for families in regional areas who faced long drives to childcare centres and shift workers who might prefer to pay a nanny for a few hours.

"I'm not convinced that parents and children are getting better outcomes ... I'm not sure that parents get greater choice or greater flexibility in the type of childcare that they get."

In June, Canavan and Rennick were supported in the Coalition party room by MPs George Christensen and Terry Young. One male MP angered some female members by suggesting working women were "outsourcing parenting", multiple sources told Guardian Australia at the time.

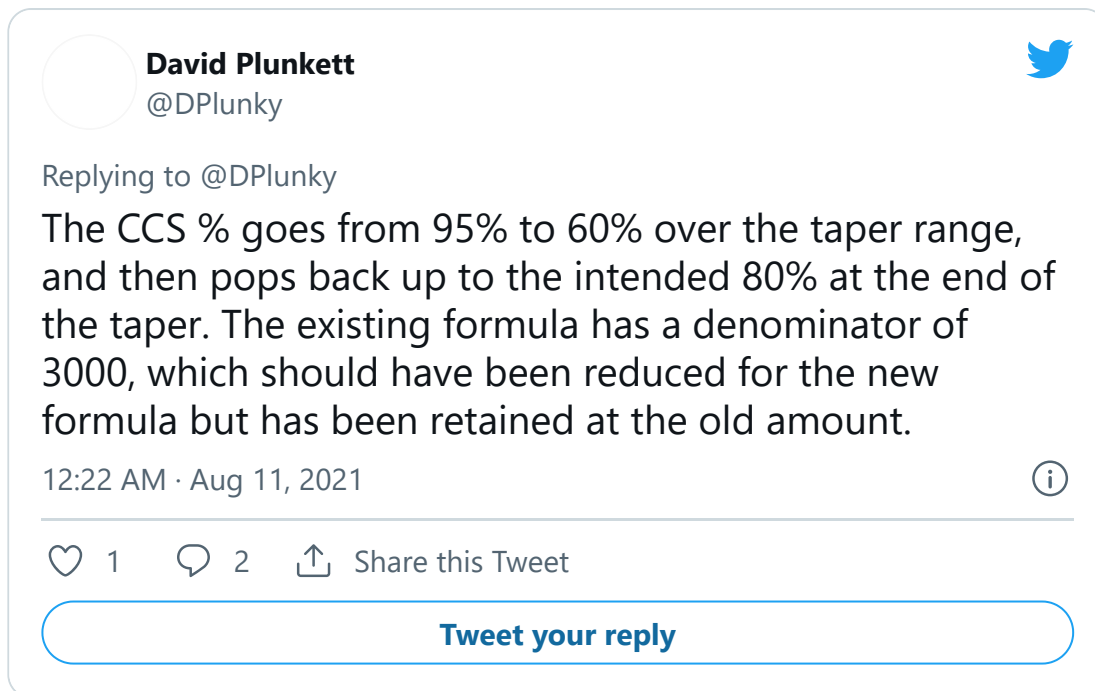
According to sources at the meeting, the Liberal MP Hollie Hughes then “fired up” saying: “Thank you, boys, for telling us how to best raise our children.”

On Tuesday Hughes defended the “diversity of opinion” of her colleagues, acknowledging in the Senate there had been an “internal debate” in the Coalition.

“We on this side have our own agency, the ability to stand up for what we believe in, and in fact we support all women – and men and families – who want to make choices as to how best they support their family life and work life,” she said.

The childcare bill is set to return for debate later on Thursday.

On Wednesday retired public servant David Plunkett raised a fresh concern with the bill, warning it failed to deliver on the intention to provide subsidies that taper from 95% down to 80% for families with two or more children in care and incomes less than \$250,000.



David Plunkett
@DPlunky

Replying to @DPlunky

The CCS % goes from 95% to 60% over the taper range, and then pops back up to the intended 80% at the end of the taper. The existing formula has a denominator of 3000, which should have been reduced for the new formula but has been retained at the old amount.

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According to Plunkett, some families earning less than \$175,000 could face subsidy rates as low as 60% due to an incorrect formula in the bill.

Guardian Australia contacted education minister, Alan Tudge, about the apparent error. A government amendment was later circulated correcting the original bill.

Greens education spokeswoman, Mehreen Faruqi, said the government is “clearly divided on funding for early childhood education”, accusing Canavan of a “very outdated mindset that is sadly reflective of the [National party](#) under Barnaby Joyce”.

“The government has been dragged to the table to invest in childcare and they can’t even get a basic reform right,” she told Guardian Australia.

“As currently drafted, the bill would completely underdeliver for thousands of the families that were promised more support.

“It’s embarrassing that the government’s headline childcare spend has been so poorly drafted.”

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