

John Hyde

The Children's Services Program

Few groups of well-educated citizens are above pigging at taxpayers' and consumers' troughs, but the sundeck intellectuals of the bourgeois left, from their two income homes in Carlton and Balmain, with their Alsatians and Volvos, are surely among the most ugly. There have been few more dishonest campaigns than the current one to preserve child care subsidies.

The facts of Commonwealth expenditure are a good place to start the debate, although we should remember that further subsidies are to be found in State budgets. This year taxpayer expenditure on the Children's Services Program will be \$234 million. When the government has completed its 1984 promise to provide another 20,000 places this will subsidise the care of only 80,000 children---7% of those under five years old or 17% of those under-fives with two parents or a single parent in the workforce. The average subsidy per child, for recurrent costs alone, will be \$2700 per year. Just over half of the 80,000 children will have places in 'centres'---average annual subsidy: \$3300 per child or \$4488 per family. The remainder will have places arranged under the less costly family day care scheme---average annual subsidy: \$2096 per child.

When the capital costs are included in the calculation the cost to taxpayers rises appreciably. The following costs and charges for 40 hours of care per week, for 48 weeks per year, apply to a child at a typical 'centre':

Maximum fee per place:	\$90 per week	\$4320 per year
Average fee per place:	\$78 per week	\$3744 per year
Average subsidy per place:	\$85 per week	\$4097 per year
Minimum subsidy per place:	\$63 per week	\$3024 per year

If the taxpayer were to pay for child care, with the current division between 'centres' and 'family day care', for every child of every family with both or the only parent in the workforce, the annual recurrent cost (including the opportunity cost of the capital) would be about \$1,300 million. An additional once-only capital injection of about \$2,000 million would also be required.

If the parents of ALL children under five were then (in response to the subsidy) to join the workforce, the required annual expenditure would be about \$3,000 million and the once-only capital outlay would be \$5,100 million. There is no

chance of such massive sums becoming available in any foreseeable budget.

Most people cheat the tax/welfare system, by not declaring every last cash receipt and fringe benefit, so we must assume they are not willing contributors to a common fund. Nevertheless, they do vote for compulsory transfers to the unlucky (in the argot of the welfare industry the 'disadvantaged') poor, the sick and the old. They feel obliged to share their good fortune, wish to insure against their own misfortune, or both.

The subsidised 17% of all families which have children under five and both or the only parent working are not the poorest parents in the formal workforce. By what criterion are they more deserving than the other 83%?

The subsidised 7% of all families with children under five include two income families, but exclude single-income two-parent families. The qualifying criteria ensure that the subsidised families, on average, have above average means. Taxpayers in far poorer circumstances are being compelled to subsidise a small arbitrarily chosen group of the relatively well to do.

Were the program primarily directed to single parents, helping them to become self sufficient, I think most taxpayers would support it cheerfully enough. However, the children's services program is not primarily about helping people down on their luck. It is about changing the balance between home duties and all other forms of work. It is the creature of a minority who believe that the care and nurture of children in the home, sharing an income earned in the formal workforce with a partner, is somehow demeaning. They hold this view whether the not-demeaning away-from-home career is an unskilled job, wanted by a queue of unemployed, or a highly skilled activity. Few taxpayers share these values, but an articulate and vocal minority has persuaded the government that these regressive transfers fill a social purpose.

Not content that the whole children's services program should affront widely held standards of equity, female militants are now telling the government---Senator Walsh in particular---not to divert resources from 'centres' to the 'family day care scheme', not to issue vouchers in lieu of direct service and not to privatise. In short, they urge the government not to do anything to reduce per-child costs. The only people who can benefit from their stand are the 3.5% of all families with pre-school children who have them attend a 'centre' and staff at the 'centres'.

The income test for a one child family, using a centre for 40 hours per week, starts at \$13,260 p.a. The test reduces the subsidy to \$3,024 p.a. at an income of \$36,813 p.a. Above \$36,813 no further subsidy reduction occurs. The Children's Services Campaign would like to see the means test threshold raised from \$13,260 to \$50,000 p.a. And I'd like portholes in my coffin!

Ms Deborah Brennan, speaking on ABC News Commentary, claimed the Children's Services Program was well targeted

because one third of the recipients have incomes under \$14,000 per year and two thirds under \$32,000 per year. What does she think the poor earn? I am sure Senator Walsh, and the average taxpayer, do not begrudge the money going to the poorest third of the recipients; it is the remaining two thirds which is an affront to canons of decency.

The traditional left once fought for child endowment to help a nuclear family nurture children in a conventional home setting. Nothing could be further from the bourgeois left agenda. How the world has changed.

However, some things never change. When the power of the state is for sale, greedy favourites feather their nests with taxes, the economy declines and the poor get poorer. Democracy's greatest weakness is that its governments find it so hard to resist the least deserving vested interests.

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