



MEDIA RELEASE

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Childcare package will support more children to access early childhood education and care—Senate Inquiry can improve Bill further

The Senate Inquiry into the Child Care Assistance Package is an important opportunity to fully assess the impacts of proposed changes on children, families and early childhood services. This Bill represents the largest changes to the financing of early childhood education and care since the introduction of the Child Care Benefit.

Early Childhood Australia welcomes the additional investment that this Bill represents of over \$3.2 billion over four years, and the continued growth in the overall number of children accessing early childhood education and care places to 100 000 or so more children supported by the Child Care Assistance Package by 2019.

Overall it is estimated that there will be an additional 32 000 children using approved early childhood education and care places in 2017–18; the first year of the Child Care Subsidy. Beyond this point, participation growth is projected to slightly increase to 3.96 per cent out to 2018–19, with a further 69 500 children using approved early childhood education and care.

CEO Sam Page says: ‘We welcome the overall rise in the number of children projected to access approved child care services over the forward estimates. However, we are concerned that this net increase masks a significant number of children who will exit the system—many of whom may be vulnerable, and are not eligible for the Government’s “low income result” provision of 12 hours per week subsidy.

‘Early Childhood Australia believes that the new Jobs for Families childcare legislation will improve access to early childhood services for many working families but we are concerned over the complexity of the package for families in insecure work or who can’t accurately predict their income.

‘Our greatest concern is for children whose parents are not participating in eligible activity and may lose subsidised access entirely, and children in low income families who will have their hourly subsidised access halved.

‘Whilst the stated goal of this package is workforce participation of parents, children’s access and participation is also critical to Australia’s future prosperity. In fact we now know that vulnerable children’s participation in quality early learning alone would add \$13.3 billion to GDP by 2050. We also know that access to these programs amplifies children’s development, with lasting effects throughout their schooling.

‘We urge the Senate members on this Inquiry to really examine how well this package strikes a balance between supporting workforce participation of parents and getting better outcomes for all children, and to propose key amendments.

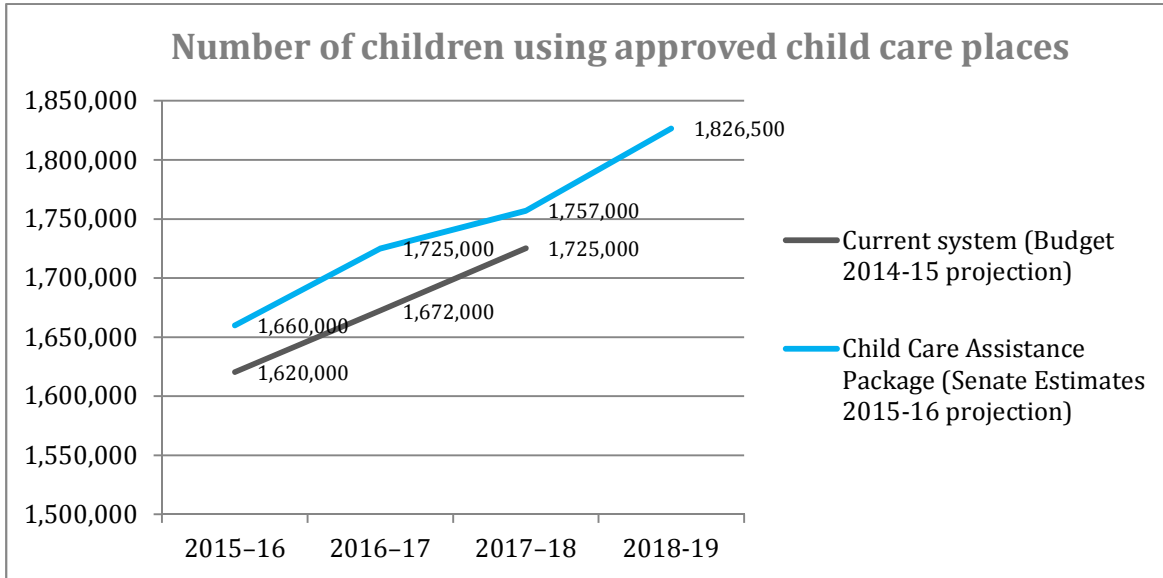
‘The Senators also need to keep in mind that this Bill does not provide a complete picture of the operation of the new Child Care Assistance Package. Much of the operational detail of the package is also contained in Ministerial rules which have not been released, yet these are critical policy elements of the package.

‘We ask that all draft subordinate legislation be published for review *before* the package is implemented’, concluded Ms Page.

To view Submissions visit Senate Inquiry site: <http://bit.ly/ECASenateSubmission-ChildcarePackage>

For more information contact:

Carolin Wenzel 0475 554 999



Growth on previous year (projected in 2015-16 Budget)

2015-16	2016-17	2017-18	2018-19
5.73%	3.92%	1.86%	3.96%

Summary of recommendations

- All children are provided with access to at least two days of subsidised quality early learning to support their development, regardless of their parents' activity.
- The 'low income result' provision for families earning under \$65 710, not meeting the activity test, is increased from 24 hours per fortnight to 48 hours per fortnight.
- For families earning over \$65 710, not meeting the activity test, the minimum provision is increased from 0 hours per fortnight to 30 hours per fortnight.
- The Government provide greater flexibility in the Bill in relation to the time in which a determination of children at risk of serious abuse or neglect is made.
- The Government outlines a transition guarantee for children with a disability over the age of 13 to access programs supported by the Department of Social Services.
- All Aboriginal and Torres Strait Islander children are provided with access to 'NQF quality' early learning at, at least the same level of affordability and access of the previous program while improving overall participation.
- The Government releases official cameo modelling on the impacts of the new Child Care Subsidy for families on varying incomes and numbers of children, and attending services with different session lengths and prices, compared with Child Care Benefit and Child Care Rebate modelled for the same financial year.
- The first tier of the activity test is increased to 22 hours per week or 44 hours per fortnight to improve affordability for families accessing standard hours services.

Summary of recommendations (cont.)

- An independent review of the Child Care Assistance Package is undertaken in July 2019 with a focus on the subsidy level and whether it remains effective in meeting the goals of the Child Care Assistance Package to improve affordability for families.
- New measures to support low income families living in identified high cost markets be addressed by increasing Child Care Subsidy rates for families affected.
- For families on the 24 hour entitlement support is quarantined for the full financial year so children maintain access to and benefit from early learning and to ensure parents do not incur debts or experience significant reductions in hourly entitlements.
- Families are provided with the flexibility of six weeks to respond to sudden and unexpected changes in their circumstances.
- Sessions of care are determined by services to meet local demand, not on the basis of the actual hours used by children.
- A transitional support program is funded to support services before, during and after the transition to the Child Care Assistance Package.
- The *Education and Care Services National Law* be amended to include occasional care within scope of the *National Quality Framework*.
- All draft subordinate legislation is published for review before the implementation of the Child Care Assistance Package.

For more information contact: Carolin Wenzel 0475 554 999