

FAMILY ASSISTANCE LEGISLATION AMENDMENT (JOBS FOR FAMILIES CHILD CARE PACKAGE) BILL 2015

SUBMISSION TO SENATE INQUIRY January 2016

To: eec.sen@aph.gov.au
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INTRODUCTION

Australian Community Children's Services (ACCS) is the peak body representing Australia's not-for-profit community children's services and those who support the right of children to access these services. ACCS has branches in each state and territory throughout Australia.

ACCS is committed to:

- children, families and communities;
- children's entitlements for the best care, education and health services;
- community ownership;
- connected services for children, families and local communities;
- cost effective services - not for profit; and
- cultural diversity and respect for Aboriginal and Torres Strait Islander people as custodians of the land.

ACCS, as the national peak body for the not-for-profit children's services, makes this submission on behalf of its members and the families and children using not-for-profit children's services.

We welcome the opportunity to make a submission to the Senate Education and Employment Committee as we do not see a response to the concerns we raised in the consultations on the Regulatory Impact Statement. We urge the Committee to take action to assist the Government to retain its focus on the rights of the child to access high quality ECEC and to minimise the administrative burden on children's services of the implementation of the new Assistance Package.

ACCS supports the intentions of the Child Care Assistance Package to simplify the complex system of government child care subsidies by replacing CCB, CCR and JETCCFA with a single Child Care Subsidy. We also see benefits in the new Child Care Safety Net.

However we are concerned that the increased focus on support to parents working or studying will shift the focus of Australian Government policy away from the best interests of the child, and the principle of universal access to high quality early childhood education and care (ECEC) from birth; which was the key premise of the National Quality Framework.

Children’s best interests must be the first principle and underpinning rationale for all deliberations, recommendations to the Australian Government and government policies.

Consistent with this principle, ACCS believes strongly that the minimum number of hours of subsidised ECEC must not fall below the equivalent of four full days per fortnight, based on the usual daily hours of operation of a service to a maximum of 48 hours per fortnight for a 12-hour per day service.

CHILD CARE SUBSIDY

Activity Test

Two full days per week

ACCS believes that access to subsidised ECEC is vital for all children, regardless of their parent’s work activities. We are opposed to the planned reduction in the minimum hours of subsidised ECEC below 4 full days per fortnight in care (to a maximum of 48 hours per fortnight).

ACCS believes that the minimum number of hours that a family who meets Step 1 in the activity test should be 48 hours or 4 full days per fortnight. The new Step 1 of 36 hours per fortnight will equate to 3 full days per fortnight for most long day care centres; this will not meet the needs of casual workers who work 4 half day shifts per fortnight.

ACCS Proposed Alternative Three Step Activity Test (NB: Proposed changes are marked in *bold italics*)

Activity (per fortnight)	Number of hours of Subsidy (per fortnight)
<i>0 – 16 hours</i>	<i>4 full days</i> (Up to 48 hours)
More than 16 – 48 hours	<i>6 full days</i> (Up to 72 hours)
More than 48 hours	<i>10 full days</i> (Up to 100 hours)

Administration of the activity test

Administration of the complex new Three Step Activity Test must not fall on children's services. This would create a high level of new red tape and divert resources away from delivery of high quality ECEC.

We are concerned at the lack of clarity about how the new activity test will apply to families whose activities vary from week to week? For example, casual workers may regularly vary from no hours of paid work to 38 hours per week. How will parents who do not have fixed employment know what their subsidy will be from week to week as their hours of activity vary between steps 1 to 3. If their eligibility for Child Care Subsidy varies each week then it will be incredibly difficult for them to maintain their child care place. This would work directly against the Government's policy goal of increasing support to working parents.

Casual workers need to be able to tell their employer what days they are available for work, which requires them to know what days of child care are available to them. They can only access additional hours of work if they can commit to being available.

Vulnerable children and families

The new arrangements also reduce access to children's services for vulnerable children to 6 hours per day. International best practice shows that child and family outcomes improve for those that are at risk or vulnerable with regular participation in good quality ECEC programs, with greater benefits generally arising from larger 'doses' of participation¹. Research suggests that two full days per week is a minimum.

A key report² analysed the economic impact of increasing participation in quality early learning for vulnerable children – this would add more than \$13 billion to the GDP by 2050.

Minimum time period per step

ACCS proposes that when a family is assessed as meeting the requirements of Step 1, 2 or 3, their eligibility should not drop below this level for a fixed minimum period of at least 6 months, regardless of whether their activities reduce. However, if a family's eligibility increases then the increase in subsidy should occur immediately.

As noted above, ACCS believes that all families should get Step 1 access.

In regard to the treatment of the range of recognised activities, ACCS does not support placing time limits on how long some activities are acceptable.

Circumstances to exempt families from activity test

ACCS reiterates its concern that whatever arrangements are made for exemptions from the activity test, it is vital that no additional red tape is created for children's services.

It is unclear how these proposed Steps relate to the policy commitment to Universal Access to Early Childhood Education which guarantees 15 hours of education per week in the year before school entry. It has been suggested that families will be exempt from the activity test when their child is in the year before school; however this has not been formally announced.

¹ Wise et al (2005) *The Efficacy of Early Childhood Interventions*, AIFS Melbourne
Mathers et al (2014) *Sound Foundations, A Review of the Research Evidence on Quality of Early Childhood Education and Care for Children Under Three* University of Oxford UK

² Price Waterhouse Coopers (2014) *Putting a Value on ECEC in Australia*

It is also unclear how the Child Care Subsidy will apply to children accessing their Universal Access entitlement in a long day care centre.

CHILD CARE SAFETY NET

Additional Child Care Subsidy

ACCS believes that the minimum hours of subsidised child care for low income families who do not meet the activity test must not fall below four full days per fortnight, to a maximum of 48 hours per fortnight.

Further families should be able to apply for additional hours of subsidised care in order to enable them to resolve the issues they face.