

NSW Children's Services Forum

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Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Secretary,

Thank you for the opportunity to make a submission to the inquiry into the *Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015* (Cth) on behalf of NSW Children's Services Forum.

The NSW Children's Services Forum is comprised of state-wide, not-for-profit community based children's service organisations. The Forum aims to:

- Promote the role of not for profit children's services;
- Advise governments on the quality, range and provision of children's services in NSW;
- Advocate for policies to improve the quality range and provision of children's services in NSW; and
- Engage in regular dialogue with other stakeholders in children's services;
- Promote principles of social justice in the planning, funding and delivery of children's services.

The current list of members of the NSW Children's Services Forum is attached to this submission. The Council of Social Service (NCOSS) provides Secretariat support to the Children's Services Forum

The objective of the Jobs for Families Child Care Package Bill, and the subsequent amendments to legislation, is identified as being to "help parents who want to work, or who want to work more, while still focusing on early childhood education".¹ In his second reading speech introducing the Bill, the Honourable Luke Hartsuyker also stated that "support for child care is not a welfare payment. It is a payment that makes the cost of child care more affordable for families who need or choose to be in work".²

Whilst participation in the workforce is a matter of economic importance it is also important to note

¹ See *Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015* (Cth), [Second Reading speech](#).

² Ibid

that future prosperity and sustaining the well being of children and families is also dependent upon high quality early childhood education for all children.

To achieve this, we require long term investment in early childhood education both to facilitate positive outcomes for children and families and to ensure Australia is in step with our fellow OECD nations who consider citizen education and well-being and socially just societies to be key to economic sustainability and to civil society.

With these issues of importance in the forefront our key recommendations to the Senate in response to the Jobs for Families Package are as follows;

1. Support for additional investment in early childhood education

We recommend that the Senate support additional investment in quality early childhood education and care (ECEC) that meets the dual objectives of supporting children's learning and development and workforce participation for families. We are concerned that proposed package does not reflect a commitment to early education, despite acknowledging that it is one of the most effective early intervention strategies to break the cycle of poverty and intergenerational welfare dependence. Our recommendations below speak to improving the *Jobs for Families Child Care Package* in order to improve children's access to quality ECEC as well as the affordability of ECEC.

2. Investment in children – particularly those from disadvantaged backgrounds

We recommend that the Senate considers the wellbeing of vulnerable and at risk children.

As it currently stands, we consider the proposed activity test will make it harder for low-income families – particularly those with part-time or insecure jobs – to maintain employment. It will also reduce access to quality early education for vulnerable children, further excluding those who are already marginalised. We therefore recommend that the activity test should not be applied to low-income families and vulnerable families, including refugee and humanitarian entrant families.

If the activity test stands, we recommend that:

- The legislation must ensure vulnerable children have access to **at least 2** days of high quality early childhood education delivered by an early childhood teacher. The Child Care Subsidy entitlement for children from families earning less than \$65,710 should therefore be amended to increase the entitlement of hours per fortnight. The legislation must also make clear that the entitlement will be quarantined for the full financial year and outline that this entitlement will act as a true 'safety-net' for vulnerable children from low-income families.
- The Senate should ensure that all voluntary activity should meet the activity test as is the case currently and that voluntary activity should be able to be combined with any other type of approved activity to calculate total hours of activity for the activity test. This should include voluntary activities that improve parenting skills.
- Eligibility for the Child Care Subsidy should be widened to include all foster carers, grandparent carers and other kinship carers **irrespective of their circumstances or income.**

- The Senate should ensure that casual workers and workers in irregular work are not disadvantaged.

3. Service Sustainability

We recommend the Senate considers service sustainability. Three key issues within the legislation threaten service viability.

- Mainstream services:** The payment of Child Care Subsidy for “used hours only” will create an unsustainable model for providers. This approach will perpetuate instability for the ECEC workforce and force employers to staff their services with a casual workforce in order to meet operating costs. A casualised ECEC workforce is detrimental to young children due to irregular shift patterns resulting in inconsistent and unstable relationships between educators and children. This will affect the quality of the programs offered. It will also contribute to substandard industrial conditions, encourage educators to seek alternative employment and perpetuate the marginalisation of a workforce that is predominantly female.
- Aboriginal and Budget Based services** must not be expected to move to a mainstream service model. The role these services undertake within their communities must be acknowledged and respected. They must not be forced to develop a governance and administrative model that will threaten sustainability and eventually see them transition away from their current core work. These services must continue to receive operational funding to ensure their important role of early childhood education and family support maintained in a culturally safe space.
- Vacation Care.** The proposed minimum operating hours of 7 weeks for outside school hours care will have unintended adverse impacts on flexibility and our capacity to be responsive to parent needs/service demand (contrary to the overall goals of increased flexibility for parents). Organisations may only want to operate vacation care in the lead up to the end of the year as demand does not exist in other periods.

4. Inclusion and professional development

We recommend the Senate considers the important issue of diversity and inclusion. The new program within the legislation, *Inclusion Support Program*, assumes built capability of the workforce and is premised on the assumption that, over time, services should develop the capacity to include children with additional needs with limited or no additional support from the program. However, given workforce turnover and sector growth, we consider that services will require ongoing access to professional learning and capacity building. Increased workforce capacity will not eliminate the need for continued funding for children with ongoing high support needs.

The draft guidelines state that: *‘LDC services that provide state or territory government funded kindergarten/preschool programmes may be eligible for ISP support for the hours outside the period funded through the kindergarten/preschool programme.’*

In NSW, the Preschool Disability Support Programme is only available for community-based preschools. There is no additional programme to provide inclusion support to long day care services operating a preschool program. These long day care services should continue to be eligible for ISP across the day so there is no gap in inclusion support funding for children with additional needs.

We are also concerned that this Bill does not retain specific provisions to support the participation and inclusion of culturally and linguistically diverse (including Aboriginal and Torres Strait Islander, refugee and humanitarian entrant) children and families. The Productivity Commission have recognized the importance of Bicultural Support in term of settling new culturally and linguistically diverse families and their children into an ECEC service; this recommendation needs to be implemented.

It is also important to highlight the end of the Professional Support Program in June 2016. This national program has worked to improve the professionalism and knowledge of the sector and to deliver consistent messages to the sector on policy, program and regulatory change. It is unknown how clear messages will be delivered to the sector, nor how a sector that is still developing, will develop professionally to meet the growing demands of our society.

5. Clarity

We recommend the Senate requests greater clarity in the Bill. A number of matters remain unclear in the legislation or in the outcomes of the legislation and must be ascertained in order to commit to approving legislation that meets the needs of children, families and the workforce needs of the country.

- i. **Inconclusive benefits and financial impact:** The Regulation Impact Statement on the legislation proposes a number of changes to eligibility for childcare subsidies. Some families may not have access to subsidised education and care and others will have access reduced. Some services will receive substantially less funding. Some families will receive higher subsidies, some families will receive lower subsidies. This is not, however, quantified. The Senate is being asked to make changes to a system affecting over a million families without knowing how many of these families will be adversely affected.

COAG's Best Practice Regulation Guide states that "The RIS should provide an adequate analysis of the costs and benefits of the feasible options and should identify the groups in the community likely to be affected by each option and specify significant economic, social and environmental impacts on them". We therefore recommend that the Senate Committee request a more detailed Impact Statement for consideration prior to approval of the legislation.

- ii. **Ministerial Determinations:** The Senate Committee must be able to consider key proposed Ministerial Determinations before the Committee can make an informed assessment of the impacts of the changes on children. We recommend that the Senate Committee request more detail on the proposed **Ministerial Determinations**, or amends the legislation to

provide greater clarity, to ensure Senators can make a informed assessment of the real world impacts of the changes on children.

- iii. **Complexity of the system:** The overall system is far more complicated than the existing system, even with one only payment of Child Care Subsidy. The activity test and the re-calculation each fortnight for casual or part time workers will be burdensome for families and will create more administration for service operators. Families may not make the connection between (even at the top rate of subsidy) 85% rebate on the government determined hourly cap, rather than the individual services fee. The process for supporting vulnerable children and children at risk is also far more complicated and if the various jurisdictions do not respond quickly, support for these children may be delayed.

Should you require any additional information on this submission, please do not hesitate to contact John Mikelsons, NCOSS Deputy CEO, by emailing _____ or phoning _____

Yours sincerely,

Tracy Howe
NCOSS CEO, on behalf of the NSW Children's Services Forum

Members of NSW Children's Services Forum

- Australian Community Children's Services - NSW
- Benevolent Society
- CCSA (formerly Community Connections Solutions Australia)
- Community Child Care (NSW)
- Contact Inc
- Ethnic Child Care Family & Community Services
- Goodstart Early Learning
- Gowrie NSW
- KU Children's Services
- Local Government NSW
- Montessori Australia Foundation
- Network Of Community Activities
- Nikinpa Child & Family Centre / SNAICC
- NSW Council of Social Service (NCOSS)
- NSW Family Day Care Association Inc
- Occasional Child Care Association Of NSW
- Playgroup NSW Inc
- SDN Children's Services
- Uniting