



39a-43 Dew Street, t 08 8234 5219 e info@gowriesa.org.au
Thebarton SA 5031 f 08 8125 6644 ABN 85215 237 980

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Senate Education and Employment Legislation Committee, Family Assistance Legislation Bill 2022

Gowrie SA thanks the Senate for the opportunity to review and comment on this Bill.

Gowrie SA has a more than 80 year history in the early childhood sector and today remains as both a service provider and advocate. Early childhood education and care has for many years been fundamental to children's development and growth. Over time, its purpose has more closely aligned with government purposes to support female workforce participation. We believe that early education and care should be a fundamental right of all children first and foremost. The prioritisation of children's right to access high quality early childhood education and care could well see profound and ongoing improvements to AEDC data, inclusion, and developmental growth and learning.

The use of a term such as 'Cheaper child care' is not responsive to the professional language used by the sector, nor reflective of the costs associated with the provision of high quality early learning services. We would urge the government to adopt current, professional terms such as would be used across any other professional sector.

Schedule 1

Gowrie SA supports measures to reduce barriers to families in accessing education and care opportunities for their children. A reduction in out of pocket expenses is one such measure. We believe the government could go further and provide free universal access to early learning and care for all families. That aside, supporting affordability for families through an increase in Child Care Subsidy is welcome. Gowrie SA supports amendments to the Family Assistance Act in Schedule 1 to the Bill.

Having said that, families earning up to \$80,000 seems low for couples, and perhaps consideration could be made as to a more realistic benchmark prior to a reduction of one percentage point per \$5000.

Consideration would need to be given to ensure providers do not raise fees unnecessarily and thus reduce the impact of the increased subsidy on families.

Schedule 2

Gowrie SA agrees with the definition of 'large child care provider'.

While Gowrie SA agrees with the additional reporting requirements for large providers, it is unclear what the Secretary of the Department of Education will do with this information. While schedule 2

empowers the secretary to publish information received, we would ask if this information is not already available publically on the ACECQA website. In addition, how will publishing this information support family knowledge as reporting will merely be comparing large providers with large providers, and families may not understand the content of the information provided.

Perhaps a more purposeful amendment, would be for large providers to publish the percentage of expenses spent on core requirements for running an early learning service. This would include details for each service of the percentage spent on staffing costs, food, toys and equipment, with a comparison of other expenses such as building leases. The table below demonstrates what Gowrie SA percentages would look like in core areas. Such expenses are ratified through an annual independent audit which is required of all not for profit organisations. If all services provided this information it would allow families a more direct comparison of where their fees are utilised within an early learning setting.

Expense % per budget
% staff salaries including oncosts - admin
% staff salaries including oncosts – service delivery
% food
% toys/equipment
% educator professional learning
% rates and taxes
% other expenses (building repairs, maintenance, capital upgrades)
% building rent/leasing costs
% loan required repayments
% return to shareholders and/or investors

Without clarity regarding what the Department will do with required financial information, and without tying this information to expenses associated with delivering an early learning service, it is difficult to see how any risks will be mitigated. We believe further clarity regarding purpose and intention is needed for this Schedule.

Schedule 3

Gowrie SA endorsed measures that support vulnerable groups to access early learning settings. We believe subsidised hours should be reflected as a per week rate. The initial base level of 12 hours per week is barely more than one day of access, given most services are open from 6.30-7.30am and close 6.00-6.30pm. Increasing this entitlement to 18 hours per week should be the base amount for all children, and in fact 24 hours per week would be more suitable to achieve early learning and development outcomes.

Vulnerable children and families should then be able to access a higher base rate of 36 hours per week. This should be offered to Aboriginal and Torres Strait Islander families, but also to children and families in low socioeconomic areas (whether by postcode or Local Government Area).

The definition of an Aboriginal and Torres Strait Islander child is fraught. Consideration may need to be given for many Aboriginal and Torres Strait Islander peoples who are disconnected from their community due to being part of the stolen generation, and displacement from homelands and culture. We ask how the validity of identification be verified in a culturally respectful and appropriate way.

Schedule 4

Gowrie SA support fraud reduction measures. We would suggest there may be some unintended consequences with a requirement to collect parent gap fees by electronic funds transfer. While the vast majority of families have this means, we have seen a family pay their fee by dropping off a plastic container filled with the coins they had collected over the intervening week/s. We also wonder how this measure may disadvantage women fleeing domestic abuse who may prefer to use cash rather than bank accounts for fear of being tracked by their partner, or if they no longer have access to accounts. With any measure, the unintended consequences should be considered carefully as the result may be a reduction in access to early childhood education by the very families who may benefit the most. While there is an exception process, this should not be onerous for the service to implement.

As for Schedule 2, we believe further detail is required about amendments to 'good governance' as an eligibility requirement for provider approval, and the anticipated information an attendance report must contain. These amendments should not add more burden

Schedule 5

While we support the schedule 5 amendment, it should be noted that this measure comes at a cost to providers who work with a mainly female workforce, as well as a workforce that is predominantly of child bearing age. Even though the full CCS amount is payable, a fee reduction will result in a loss of income (via a reduced gap fee) to the early childhood service. This may place smaller providers at a disadvantage to larger providers in an already highly competitive recruitment climate.

Schedules 6 - 8

We support the amendments to clarify or improve the operation of CCS.

Response: Lynne Rutherford, CEO

Reviewed: Lyndsay Healy, Children's Program Director