

# Simple? Fair? Affordable?

Family Assistance Legislation  
Amendment (Jobs for Families Child  
Care Package) Bill 2015

A submission from Community Child  
Care Co-operative (NSW)  
to the Senate Education and  
Employment Standing Committee

January 2016



## Community Child Care Co-operative (NSW)

Building 21, 142 Addison Road  
Marrickville NSW 2204

Website: [www.cccnsw.org.au](http://www.cccnsw.org.au)

Contact: Leanne Gibbs, CEO,  
Community Child Care Co-operative (NSW)



Simple? Fair?  
Affordable?

In moving the second reading of the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015, the Minister for Vocational Education and Skills and the Deputy Leader of the House, the Hon. Luke Hartsuyker stated that:

*“This package will provide greater choice for more than 1.2 million families by delivering a simpler, more affordable, more flexible and more accessible child care system.”*

Education Minister Simon Birmingham re-stated the aims of the package as ‘simplification’, with one “one new, simple, child care subsidy” and fairer: “the more you work, the greater your entitlement to government-subsidised child care” and “the less you earn, the greater the rate of subsidy you will receive”. Overall, he stated that the package was “a simpler, fairer, and more affordable child care arrangement”.

### **Community Child Care Co-operative argues that several key elements of the package work against the Government’s own aims:**

- ◆ The Activity Test creates exactly the **complexity** the Government seeks to eliminate.
- ◆ The Activity Test will **reduce access and affordability** to early education and care for some families. We acknowledge that for some families, especially those on very high incomes, this is of less consequence. For low-income families, it is of great consequence.
- ◆ The design of the Child Care Safety Net will mean that for many families, especially Aboriginal families and those on low incomes, the education and care system will be **less accessible**.
- ◆ A reform that delivers a less accessible and less affordable system for some families, is **not a fairer system**.

We request that the Senate eliminates the elements of the package that will leave some families worse off.



# 1. Does the package create a **simpler** child care system?

## **The proposed Activity Test creates exactly the complexity the Government seeks to eliminate.**

One of the primary concerns Community Child Care Co-operative has with the proposed Child Care Assistance Package is eligibility for the Child Care Subsidy.

The proposed Activity Test for the subsidy substantially changes:

- ◆ Which families will be able to access subsidised child care; and
- ◆ How much child care they will be able to access.

There is no doubt that in combining the Child Care Benefit and The Child Care Rebate into one single Child Care Subsidy, the Government has created the potential for a simpler subsidy, but overlaying the Child Care Subsidy with an extremely complex Activity Test means the simplicity is circumvented.

- ◆ The current system allows all families to access up to 24 hours of care per week and up to 50 hours if each parent works/studies/trains for at least 15 hours per week—this should be retained.
- ◆ The new test is designed to ‘reward’ parents with more child care, the more hours they work.

## **...but it will have an unintended flow-on effect of denying families in precarious employment a simple answer to the question: “How much will my child care cost?”**

Families’ eligibility for the Child Care Subsidy will depend on how much eligible activity they undertake. A two-parent family, for example, who believes they will have both parents employed for two days per week and, therefore, books in for two days of long day care per week, and then finds that the mother’s employer does not need her for a six-week period, will no longer be eligible for the subsidy for that period. The family will still be responsible for payment of the fees, which means that a family outlay of, say, \$40 per week could suddenly jump to \$200 per week without the subsidy.

This complexity will have a two-fold effect for education and care services—fees will need to increase for those families that are no longer eligible for a subsidy (due to the impact of the Activity Test), as well as time and resources taken up in explaining the changed circumstances for these families, effectively forcing the service act as a de facto government information service.



Budgeting is hard enough for those on unstable incomes. Community Child Care Co-operative is concerned that families with fluctuating working hours will decide that accessing child care at all may make their budget too complex.

Under the rules of the Activity Test, the families of children engaging in a preschool program in the year before school will be exempt from the activity test for the period of that preschool program, up to 15 hours per week. Children in states such as NSW, where preschool programs operate across the long day care days (10–11 hours), will be subsidised for part of their preschool program/long day care attendance, but not all of it.

The RIS takes two pages to outline the options for recognised activities under the proposed Activity Test. This complexity makes the test challenging to administer, challenging for families to understand, and challenging for services to account for.

The RIS is silent on how many families the Activity Test will have an impact on. It states that research commissioned by the Department of Social Services “found the majority of low income families are likely to either meet or be exempt from the proposed Activity Test”. This research has not publicly been released.

**Community Child Care Co-operative would like to alert the Senate to the fact that legislation has been tabled for it to approve which will remove some families’ access to funded education and care, without quantifying exactly how many families will be impacted.**

The Activity Test was designed to have a positive effect on workforce participation... and yet the RIS developed to support the rationale for the changes states that “historically, changes to child care fee assistance have had a negligible impact on female workforce participation”.

**Why include an Activity Test that won’t impact on female workforce participation, but will negatively impact on the amount of early education and care some children will be able to access?**

### **What should the Senate Inquiry recommend to create simplicity?**

- ◆ The removal of the proposed Activity Test from the Jobs for Families Child Care Package, as it creates complexity in the new system, for low savings and an unverified increase in workforce participation.



## 2. Does the package create a **more affordable** child care system?

The Activity Test will reduce access and affordability to early education and care for some families. We acknowledge that for some families, especially those on very high incomes this is of less consequence. For low-income families it is of great consequence.

The Activity Test will see families who need child care (for reasons other than employment) unable to afford it. Children, especially those from low-income families, will bear the brunt of this policy change. This puts Australia out of step with most other developed countries who are increasing rather than decreasing access to early education and care for children from low-income families, because of its proven success at improving outcomes for children.

The proposed Activity Test means that:

- ◆ Some children will no longer be eligible for access to subsidised child care; and
- ◆ Other children will have their hours of access to subsidised care reduced.

### 2.1. *Loss of access to subsidised child care will make child care less affordable for some families*

Children currently have access to at least 24 hours of subsidised early education and care per week (i.e. over two days of long day care). Under the proposed Activity Test, only children whose parents work (or do another allowable activity) one day or more per week would have access to this amount.

Some families will have **no access** to subsidised care (e.g. families where one parent does not work, volunteer or study).

In a survey of members, Community Child Care Co-operative found that:

- ◆ **37% of services who responded said they would have over 16 families at their services who would no longer be eligible for subsidised care.**
- ◆ **An additional 22% of respondents said that between seven and 15 families would no longer be eligible for subsidised care.**

These children are situated in the most vulnerable communities, where neither parent can obtain work. These are the communities where children and parents receive the greatest benefit from access to high quality education and care.



Community-based not-for-profit services have higher numbers of children who would lose access to subsidised care, as these services generally enrol higher numbers of disadvantaged children.

## 2.2. *Reduced access to subsidised care will make child care less affordable for some families*

The proposed Activity Test would reduce the amount of subsidised care some families can access. The following examples highlight this reduction:

- ◆ *Example 1: Families earning less than \$65,000 who do not meet the Activity Test will be allowed to have access to subsidised care, but only for 12 hours per week. Their subsidised child care access will be halved.*
- ◆ *Example 2: Families where one parent works full time and the other only works one day per week will have their subsidised child care cut to 18 hours.*
- ◆ *Example 3: A sole parent who works three days per week would only be eligible for 36 hours of child care a week.*

The RIS equates the 12 hours per week of child care as equivalent to two six-hour days. This is disingenuous as long day care services do not offer six-hour blocks of care. Children eligible for 12 hours of care will only be able to access one day of subsidised long day care per week.

**46% of respondents to the Community Child Care Co-operative member survey said that 20 families or more at their service would be eligible for fewer days of subsidised care.**

## 2.3. *Reduced government expenditure on child care subsidies will make child care less affordable*

The Government has said that, under the Department's modelling, they believe that families with an income between \$65,710 and \$170,710 will be better off (by a suggested \$30 per week) under the new Child Care Subsidy.

Under the proposed Child Care Subsidy, families using long day care will receive between 50% (those earning around \$170,710 per year) and 85% (if they earn under \$65,710 per year) of an hourly 'fee cap' of \$11.55 per hour.

- ◆ A family earning \$170,000 per annum using a long day care service open for 10 hours per day and charging \$150 per day, would pay (after their subsidy of \$57.75 per day was factored in) \$92.25 per day for child care.
- ◆ A family earning \$65,000 using the same long day care service would pay (after their subsidy of \$98.20) \$51.80 per day for child care.

Community Child Care Co-operative questions whether these amounts are affordable and, therefore, provide adequate incentive to increase participation in the workforce?



The Government has emphatically stated that Jobs for Families Child Care Package will represent an investment of an additional \$3.2 billion into the child care system.

Community Child Care Co-operative has been unable to reconcile the differing amounts stated in the 2015/16 Budget and the Explanatory Memorandum to the Bill, but we note that the funding on the Child Care Subsidy over the two years from 2017/18 is stated as \$21 billion and the Additional Child Care Subsidy is stated as \$178.3 million—a total of just under \$10.7 billion per year on subsidies.

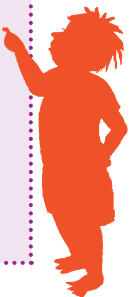
**We note also that projected expenditure with no change to the existing system was to be over \$10 billion a year by 2018/19.**

- ◆ Will there really be an additional investment in the child care system under the proposed changes?
- ◆ The Government has hypothesised that by making the child care subsidy a percentage of the fee paid up to an hourly cap, a downward pressure will be placed on child care fees. This has not been tested and is conjecture.

In a market where demand exceeds supply, fees will continue to rise.

**What should the Senate Inquiry recommend to support affordability?**

- ◆ That the proposed Activity Test be removed from the package and access to subsidised child care for each child should be guaranteed for a minimum of 24 hours per week, as per the current system.
- ◆ That exact expenditure on the new system be made transparent.





### 3. Does the package create a **more accessible** child care system?

**The design of the Child Care Safety Net will mean that for many families, especially Aboriginal families, those on low incomes, and those whose children are at risk, the education and care system will be less accessible.**

The Child Care Safety Net, although designed to provide additional subsidies and funding for children, families and communities most in need, actually cuts the level of support already in place. Some groups currently supported to access education and care will face cuts to existing child care subsidies, removal of funding and/or access to affordable care made harder. These groups include:

- ◆ Aboriginal communities supported to provide education and care services within their community;
- ◆ Smaller communities with fewer children; and
- ◆ Children at risk.

The title of this part of the package—Child Care Safety Net—is misleading. It does not provide the same degree of ‘safety’ the current system offers families and communities.

We see that:

- ◆ Families who are disadvantaged will face new barriers to participation in early education and care through reduced access to subsidies;
- ◆ Children at risk may have access to subsidised care tightened and may be only able to access services willing to reduce their fees to the subsidised amount;
- ◆ Currently Special Child Care Benefit and the Jobs, Education, Child Care Fee Assistance program ensure that children at risk, children of families experiencing temporary financial hardship and sole parents in study or training can access child care. Eligibility for the new Additional Child Care Subsidy will cut some of these groups from assistance because of the interplay of the Activity Test with access to the Additional Child Care Subsidy;
- ◆ The Additional Child Care Subsidy has been designed to “maintain payment integrity and program sustainability”. In other words, to stamp out fraud. Community Child Care Co-operative would be interested to see the rates of claims for Special Child Care Benefit for community-based services compared to for-profit services, because our experience is that not-for-profit subscribers underclaim SCCB for temporary financial hardship.



### 3.1. *Aboriginal communities' access to education and care*

Community Child Care Co-operative is extremely concerned about the ongoing viability of Aboriginal Budget Based Services, especially Multifunctional Aboriginal Centres under the proposals to transition these services to general child care subsidies.

We need to recognise the cultural needs of communities and the need for localised connected services that have ongoing service-based funding. Child-based funding, especially when it is subject to an Activity Test will not allow these services to be sustainable.

The unique situations of these services demanded and continue to demand service-based funding. In a package that has an additional \$3.5 billion dollars invested over five years, a program that costs just \$61 million per year and provides funding to 340 services in some of the most complex areas of Australia could be retained.

The Community Child Care Fund does not address the long-term sustainability of these services. Many of these services will never be able to transition to mainstream subsidies and may close forcing children out of child care entirely. Even where services are able to transition, fees, and complex eligibility arrangements are likely impose a barrier to many children's participation, especially when combined with the impact of the Activity Test.

In simple terms, while there are multiple mechanisms within the proposed child care package under which Aboriginal children and families might gain some funded access to child care, they will not add up to the same level of access as currently exists.

The Productivity Commission identified a 15,000-place gap in services for Aboriginal and Torres Strait Islander children.

The proposed Child Care Assistance package will require all services to come under the Child Care Subsidy funding model—'mainstreamed' within two years.

This means BBF services will have to follow prescriptive Child Care Subsidy rules, such as hours of operation, administrative compliance around absences, child and family documentation, Centrelink records, immunisation records, children changing residences—all of which is likely to result in reduced access to services for Aboriginal and Torres Strait Islander children. Additionally, where both parents or carers fail to meet work, training or study requirements, the subsidy will only be available to low income earners, and even then for only 12 hours per week.

A problem arises in that many BBF services are set up in areas of extreme disadvantage, with low employment rates, so a user-pays model would not suit these communities—if parents can't pay fees, children won't attend and services are likely to close.



### **3.2. *Smaller communities with few children***

Sustainability support is based on inaccurate presumptions. Some communities will never be able to sustain a child care service on child care subsidies because of fluctuating populations or low populations. Allowing additional support for these services for limited times only and insisting on this support being linked to business plans outlining 'pathways to sustainability' negates this understanding. Children need access to education and care regardless of the size of their communities. A Child Care Assistance Package of this magnitude should be able to support ongoing support to such services and communities to ensure their viability.

### **3.3. *Children at risk of harm***

Children who are at risk of harm, or who have been at risk of harm, benefit from access to early education and care. Any eligibility requirements that made who is at risk of harm subject to a formal report being made for a child, or having harm defined in a more narrow way, would mean that children who need to be in child care may not be able to access it. The restriction of subsidies to 120% of the subsidy cap will mean that children at risk will not be able to access child care where full fees are higher than 120% of the subsidy cap without either paying a gap fee, or without a child care service agreeing to reduce their fees to this amount (the starting subsidy cap will be \$11.55 per hour). 120% of this is therefore \$13.86 per hour. For a long day care service open for 10 hours per day, this equates to a fee of \$138.60 per day. Some services charge higher fees. Community-based child care providers provide the bulk of care for children at risk in some states, such as NSW. The impact of the subsidy being capped means that community-based services will need to reduce fees to the subsidy amount for children at risk.

The RIS states that "Noting the high capped level of subsidies for children at risk of serious abuse or neglect... means the intention is that these families will have their full fee subsidised (subject to a higher cap)." Clearly there is a gap between this intention and the reality. A simpler solution would be to fully subsidise fees for children at risk, as long as the fee is no higher than the service's usual fee.

A child that has been at risk at any time during the first five years of his or her life should be granted fully subsidised education and care until they start school. Shorter periods of subsidised care, subject to continual review is not in the best interests of these children.



## What should the Senate Inquiry recommend to retain accessibility?

- ◆ That Aboriginal services currently funded under the BBF program continue to be funded.
- ◆ That the Additional Child Care Subsidy for children at risk should be increased to match the exact cost of child care.
- ◆ That all time periods for fully subsidising children identified as 'at risk' should be removed from the legislation.



## 4. Does the package create a fairer child care system?

**A reform that delivers a system less accessible to some families, and less affordable to some families, is not a fairer system.**

The Activity Test prioritises children from those families in paid employment. Is it 'fair' that some children miss out on the benefits of education and care because of what their families do or don't do?

As noted, under the package, the Budget Based Funded service program that funds many of our Aboriginal early education and care services, will cease from July 2017.

These services have been reassured they will be supported to transition to a mainstream subsidy system, but the support appears to be based around a deficit model of viewing the services—i.e. if they are given business skill assistance, they will be capable of transitioning to mainstream subsidies, rather than acknowledging that the unique situation of these services and the communities they serve mean that they are better served by supply-side funding of the service, rather than of parents. Is forcing services and communities to fit into a system because of that system's need for bureaucratic tidiness (all services under the one system) fair?

- ◆ Is a system that provides some children access to more subsidised early education and care than others fair?
- ◆ Is a system that provides some children access to less subsidised early education and care than they have now fair?
- ◆ Is a system that will, indubitably, over time, see the closure of some of our Aboriginal services, fair?

### What should the Senate Inquiry recommend to ensure fairness?

- ◆ The removal of the proposed Activity Test from the Jobs for Families Child Care Package.
- ◆ The retention of supply-side funding for Aboriginal services currently funded under the BBF program.



## 5. Does the package impact on the **quality** of the existing early education and care system?

The Government came into power with a promise of an Inquiry being held that would “examine and identify future options for a child care and early childhood learning system”.<sup>1</sup> Although the Coalition’s emphasis was helping families they perceived as “struggling to find quality child care and early learning that is flexible and affordable enough to meet their needs and to participate in the workforce”, they also made it clear they wanted to address “children’s learning and development needs”. This was clear also through the terms of reference for the Productivity Commission Inquiry, initiated in 2013.

The education and care sector, the State and Territory Governments and the Federal Government have been working since the election of the Rudd Government in 2007 to improve the quality of early education and care, via the National Quality Framework for Education and Care Services.

One of the key rationales for the National Quality Framework was an acknowledgement that ‘child care’ was in fact ‘education and care’ and that the qualifications and training of educators was crucial to the delivery of high quality care.

The Jobs for Families Child Care Package undercuts these two key rationales because it:

- ◆ **Changes the language used to describe the activity being undertaken from ‘early education and care’ to ‘child care’.** This is not the language used in the Education and Care Services National Law and Regulations that grant approval for services to provide education and care. The language must be harmonised between the pieces of legislation, but reverting to the use of ‘child care’ also marginalises the educational value of the activity and its importance for children.
- ◆ **Removes the program that provides subsidised professional development to educators and managers of education and care services.** The proposal to eliminate funded professional development is an issue across our sector—83% of Community Child Care Co-operative members who responded to our survey identified this as a problem. In a developing sector where knowledge of children, families and community is proceeding at an unprecedented rate, it is essential that the sector is sufficiently equipped to develop and deliver education and care programs, framed with that knowledge and understanding. Professional development is an essential contribution to the growing professionalism

1. <http://www.liberal.org.au/latest-news/2013/11/17/government-announces-productivity-commission-inquiry-focus-more-flexible>



of the sector. Well-educated/trained staff are better able to create more effective work environments and also increase the efficacy of other staff members. Ongoing professional learning maintains the benefits from initial training/education and ensures educators stay updated on professional developments and best practices. This contributes to improved pedagogical and professional quality, and stimulates early child development.

- ◆ Professional development also plays an important and discrete role in the orientation to and implementation of public policy changes and reform. It is essential as an information and implementation strategy. Messages on policy changes and new systems must be consistently delivered to ensure effective implementation. Some of this can be delivered online but this must be designed by those with a comprehensive understanding of the sector at service level, and combined with face-to-face engagement.
- ◆ We see our international colleagues benefiting from a system where participation in professional development is mandatory for education and care staff and costs are shared between the government, employer and the individual. Ongoing professional development has the “potential to fill in the knowledge and skills that staff may be lacking or require updating due to changes in particular knowledge fields. This is especially crucial in ECEC where new programmes are being developed continuously” (OECD, 2012, p.29). “High-quality subject training, field-based consultation training or supervised practices” are most effective. Ongoing professional development should not only be available, but is a cost-effective mechanism for government to achieve its policy aims. It is essential for professional development to continue to be a part of the education and care landscape, in order to develop high quality education and care settings and provide support for a developing sector.

**In addition, funding provided directly to services, much of which supports quality initiatives, is to be cut in the package.** Current expenditure on Child Care Support is \$338.8 million<sup>2</sup> per annum. Expenditure on the Community Child Care Fund and the Inclusion Support Program is \$680 million over four years (\$170 million per year).<sup>3</sup> **This represents an actual cut of almost \$169 million per annum on the only funds that go directly to services.**<sup>4</sup> This must impact on quality!

2. Figure 2, Australian Government child care and early learning expenditure 2015–16 budget Page 14 Regulation Impact Statement.

3. [https://docs.education.gov.au/system/files/doc/other/overview\\_jobs\\_for\\_families\\_child\\_care\\_package\\_2.pdf](https://docs.education.gov.au/system/files/doc/other/overview_jobs_for_families_child_care_package_2.pdf)

4. Further to the confusion about actual expenditure under the package, differing sources give differing amounts of expenditure. Budget Paper No. 2, states that the Child Care Safety Net (including ACCS, ISP and Community Child Care Fund) is \$78.7m for 2017/18 and \$105.3m for 2018/19. But [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/BudgetReview201516/ChildEd](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201516/ChildEd) states the amount as \$869m over 3 years (\$156m over 2 years for ACCS, \$304m over 2 years for CCCF and \$409m over 3 years for ISP) and as stated [https://docs.education.gov.au/system/files/doc/other/overview\\_jobs\\_for\\_families\\_child\\_care\\_package\\_2.pdf](https://docs.education.gov.au/system/files/doc/other/overview_jobs_for_families_child_care_package_2.pdf) puts the amount for the ISP and the CCCF as \$170 million per year.



## What should the Senate Inquiry recommend to maintain quality?

- ◆ The Professional Support Program should be retained in the Jobs for Families Child Care Package.
- ◆ The language in all legislation should be harmonised to refer to 'education and care services' rather than 'child care'.





## 6. What **other faults** does the package contain?

- ◆ Removal of some existing programmes with little rationale;
- ◆ Lack of guidelines for new programmes;
- ◆ Number of elements being left to Ministerial Rules rather than encoded in legislation; and
- ◆ Problematic naming of new programming elements.

### **6.1. Removal of some existing programmes with little rationale**

Some programmes will be removed under the Jobs for Families Child Care Package. The two of these that will have the biggest impact are the Inclusion and Professional Support Program and the Budget Based Funded Programme.

#### **Inclusion and Professional Support Programme**

As stated previously, the Professional Development component of the existing Inclusion and Professional Support Program will cease from July 2016. The Productivity Commission recommended that the Government no longer fund education and care services to undertake professional development, as this is considered the responsibility of the employer. This will be the first time in the last 20 years, at least, that the Federal Government has not considered professional development, an integral part of increasing the quality of education and care provision in Australia, as a government responsibility.

Community Child Care Co-operative is also concerned about the proposed implementation of the Child Care Assistance Package. In the last three years, our sector has had new regulations, new laws and a new quality assessment and ratings system. These changes have been positive but services are still going through change management processes. To overlay this with new payment systems, new legislation, and new IT systems, will place further strain on the services that are providing child care. No matter what communications and stakeholder engagement plans are put into place for families, it is often services that need to explain changes of government policies and procedures to families. Professional Support Co-ordinators in each State and Territory have been responsible for the provision of professional development to education and care services since 2006, under the Inclusion and Professional Support Programme. This programme has ensured that services received timely information and support to implement new changes. And yet, at the same time as these new, monumental changes are planned under the Jobs for Families Child Care Package, the Government is proposing to remove all funded professional support for the sector and to dismantle the



highly successful Professional Support Program. This program has been recently evaluated by government and has been pronounced successful and contributing to high quality, inclusive ECEC settings.

## **Budget Based Funding**

As stated previously, the removal of funding for Aboriginal services under the Budget Based Funding component of the Community Support Program will see these services struggle to remain viable over the long term.

### **6.2. Lack of guidelines for new programmes**

The package proposes a number of new programmes to replace existing programmes. Despite the reforms to child care funding being discussed since 2012, despite the release of the Productivity Commission's Inquiry report in February 2015, the Senate is being asked to approve legislation that establishes new programmes (the Inclusion Support Program, for example) without the guidelines under which these programmes will operate having been developed. It is impossible to tell without these programmes, whether children with additional needs access to funded education and care will be increased or decreased under the new programme.

### **6.3. Number of elements being left to Ministerial Rules rather than encoded in legislation**

The legislation presented to the Senate, delegates to the Minister the power to determine a number of elements about the package, including eligibility in key areas via 'Minister's Rules'. One such instance (prescription of power to prescribe what temporary financial hardship is) is stated as being the power to prescribe these circumstances has been "delegated to the Minister to ensure there is an ability for the law to favourably adapt to unforeseen circumstances". Community Child Care Co-operative believes that crafting legislation in this way leaves too much power in the hands of the individual who is Minister at any time, and that this should be reserved by elected Members of Parliament and Senators. There is also allowance within the legislation for Secretary's Rules—is power that should be retained by elected bodies being transferred to the bureaucracy?

### **6.4. Problematic naming of new programming elements**

Community Child Care Co-operative wishes to note that several of the proposed names and acronyms of certain elements of the Child Care Assistance Package are already names and acronyms with high recognition in the sector. 'Community Child Care' organisations exist in the states with the largest number of child care services (NSW and Victoria). To name the funding stream under the Child Care Safety Net the 'Community Child Care Fund' promotes confusion. Are the funds granted by Community Child Care Co-operative? Are the funds only available to Community Child Care Co-operative members? When we talk about 'Community

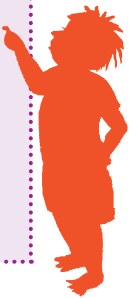


Child Care', are we talking about the fund or the organisations? These organisations have existed for almost 40 years. If any entity other than Government attempted to use this name, the organisations would have basis to protect their corporate names. We suggest the title Child Care Accessibility Fund could be used as an alternative.

The acronym ACCS has been used by the national organisation for community-based child care services (Australian Community Child Care Services) for a number of years. The acronym of the Government's proposed Additional Child Care Subsidy will be identical to the organisation's acronym. Naming the new subsidy the Supplementary Child Care Subsidy (SCCS) would stop this confusion.

### **What should the Senate Inquiry recommend to minimise faults?**

- ◆ That the Professional Support Programme and supply-side funding for Aboriginal services be retained in the Jobs for Families Child Care Package.
- ◆ That guidelines for the new programmes be developed and released for public consultation immediately.
- ◆ That the elements of the package that are being left to Minister's Rules and Secretary's Rules should be part of the legislation.
- ◆ That the confusing programme element names be changed.



## 7. The Regulation Impact Statement does not answer these questions:

- ◆ How many children will no longer have access to subsidised early education and care due to the imposing of the Activity Test?
- ◆ How many children will only be eligible for 12 hours of subsidised education and care per week by the imposing of the Activity Test?

### **Lack of rigour of the Regulatory Impact Statement**

- ◆ The Regulatory Impact Statement lacks rigour.
- ◆ The impact of the changes are not quantified in the Regulatory Impact Statement.

The Regulation Impact Statement proposes a number of changes to families' eligibility for child care subsidies. As a result of changes, some families will no longer 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.

The challenge is that none of this is quantified. Over one million families use our education and care system. The Senate is being asked to make changes to this system without knowing how many of these families will be adversely affected.

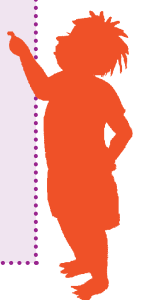
The work has not been done to quantify how many children and families the proposed changes will affect. We believe the Regulation Impact Statement is poorly constructed and lacks the rigour needed.

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".

This is not evident in the RIS.

### **What should the Senate Inquiry recommend?**

- ◆ That the package be rejected until a thorough Regulatory Impact Statement that quantifies the exact impact of the package on families is prepared.



## 8. Who is Community Child Care Co-operative (NSW)?

Community Child Care Co-operative was established in 1978 and is a not-for-profit organisation that promotes, supports and advocates for quality education and care services; meeting the needs of children, their families and the community.

Community Child Care Co-operative has a variety of roles in the NSW children's services sector which uniquely places us to provide this submission.

We are:

- ◆ A peak organisation in NSW representing over 2,000 education and care services, families and individual members. Although Community Child Care Co-operative represents services in all areas of the education and care sector, our full members are community-based, not-for-profit long day care services and community-based, not-for-profit preschools.
- ◆ A Registered Training Organisation offering a variety of nationally accredited VET courses to education and care services in NSW and their employees. We also deliver distance education to employees engaged in undertaking traineeships in education and care services across NSW.
- ◆ The lead agency of Children's Services Central, the Professional Support Co-ordinator in NSW. This program, funded by the Australian Government, under the Inclusion and Professional Support Program, provides a range of professional development to all Australian Government Approved Child Care Services in NSW.
- ◆ A provider of highly supported and sought after quality professional development, resources and publications to the NSW early education and care sector, especially preschools, long day care centres and occasional care centres.
- ◆ A provider of three preschools and two long day care services through our wholly-controlled entity, Children's Services Community Management.
- ◆ A well-respected advocacy organisation for early education and care, and early education and care services in NSW.

Community Child Care Co-operative endeavours to:

- ◆ Advocate for accessibility and affordability and supports and resources quality improvement of education and care services.
- ◆ Inform, influence and inspire early education and care services in NSW and Australia.

