



Response to the Senate Education and Employment Legislation Committee Inquiry:

Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016

INTRODUCTION:

Carewest is the Peak Association for Community Based Children's Services in WA and operates also as the WA Branch of Australian Community Children's Services (ACCS). Our members are committed to providing high quality Community Based Early Childhood Education & Care Services in Western Australia.

Carewest's position remains unchanged with regard to what it considers needs to be included in the 'Jobs for Families Package' for the wellbeing of children and the future prosperity of Australia. Carewest welcomes the opportunity to make a submission to this Senate Inquiry to complement our previous submissions to earlier inquiries on this topic.

We see the positive changes in the new package to be:

- A single means tested subsidy
- The subsidy to be paid directly to service providers
- More assistance to low and middle income families

The areas of concern are:

1. The complexity of the Activity Test and the potential for the seemingly casualisation of the program and system
2. The Safety Net and the potentially adverse effect on outcomes for children
3. The viability of services which may in turn affect the accessibility to programs, especially in vulnerable communities

We believe that the aforementioned issues would adversely impact on families, children, services and the future prosperity of Australia, our recommendations are:

- The primary focus of government support must be the rights of the child to access high quality ECEC in the interest of the future prosperity of Australia.
- The activity test be revised and every child have the right to access at least 2 full days up to 24 hours per week depending on the service operating hours.
- Special child care benefit remains as is and vulnerable children and families receive 100% subsidy. The activity test to be only applied after the 24 hour minimum.
- The administrative burden on children's services of the implementation of the new Assistance Package, including the complex new Three Step Activity Test be minimised.



CLOSING COMMENTS:

Carewest believes that the seemingly casualisation of the system would adversely impact on the implementation of the National Quality Framework because its objectives would be compromised, as the lack of continuity, consistency and stability for children, families and staff would be at stake as a result of the reduced care entitlements and complicated administrative requirements as proposed in the package.

In addition, the Education and Care workforce itself which is still struggling for adequate recognition, will be negatively impacted if permanency is reduced and thus its prosperity and that of the Early Childhood sector and the community at large.

We urge the Government to reconsider some of the proposals in this package and look to making a genuine investment in the Early Childhood Education and Care sector and the future prosperity of Australia, the critical years of learning and development, and raise the quality outcomes for children and the ranking of Australia on the world stage.

Please find more in-depth supporting evidence regarding the above principles attached below;

ACTIVITY TEST:

Our primary concern centres on the fact that the Government only considers early childhood education and care to be a workforce participation issue. This continues to create conflict between accessibility and affordability, which are at the core of what a fair, equitable and positive program and system we ought to be delivering. The value of investing in early childhood education and care cannot be underestimated, as is substantiated by a large body of evidence from worldwide studies. The benefits are not only for children in their learning and development but it is clear that the investment has a long lasting positive effect, impact and contribution to the economy and society at large. In 2014 Research by Pricewaterhouse Coopers shows that increasing participation in quality early learning for vulnerable children would add more than 13 billion to the GDP by 2050.

It isn't feasible or practical, even to support workforce participation as the Government intends, to base the Activity Test on a fortnightly period, not only for families but also for education and care services. The over complicated administration of the Activity Test may in fact reduce accessibility to services for families and their participation in the workforce. This would be particularly true for the many people who work hours that are not necessarily deemed regular across a fortnight, making their subsidy impossible to predict. Casual workers, shift workers and contractors are important participants in the workforce yet their work schedules do not conform to the definition of 'regular' and this would penalise them financially.

We propose that the Activity Test be at least revised and that every child be guaranteed for a minimum 48 hours per fortnight access to subsidised child care, as per the current



system. This is the minimum number of hours that is recommended to deliver the best wellbeing outcomes for children.

THE SAFETY NET:

The declaration and reporting requirements for the new child Care Subsidy, including the Safety Net, will impose an increasing record keeping burden and obstacle on families, yet the Government states that this package is to support families to enter into the workforce. The very families the Government is trying to assist, such as low income families, single parent families, Non-English speaking families and Aboriginal families, may find this complicated system too onerous and could mean the education and care system will be less accessible. Carewest is also concerned for families who are already disadvantaged and will face further obstacles to accessing early education and care services because of reduced access to subsidies. Children at risk may be only able to access services willing to reduce their fees to the families' subsidised amounts. The Activity Test requirements may deny some families of these groups from assistance to the Additional Child Care Subsidy.

We propose that the current system for Special Child Care Benefit remains as it is currently and that families receive a minimum 48 hours per fortnight before applying any activity test requirements. Of course we would welcome additional funding to this area which is vital to supporting the vulnerable families in accessing education and care services when they need it most. It is a children's right.

VIABILITY OF SERVICES:

Early childhood education and care services enrol children for set days per week. This not only gives families certainty of care so they can plan and commit to work and/or study, but also enables services to operate within a carefully devised budget. Being able to reasonably predict regular bookings is key to the development of a financially sound annual operational budget for a service, from which fees are determined. This predictability is also vital to the secure employment of staff, and forecasting the viability of a service. The viability of a service would be in jeopardy if it was to employ more staff on a casual basis if it relied on staffing based on variable bookings each fortnight as families adjusted their children's enrolment according to the hours of subsidy they were eligible for each fortnight. The reality of operating a Long Day Care service is based on fees calculated on what it costs to deliver a day's program to a known number of enrolments, for the number of hours the service is open. If we were to charge for less than a full day, the hourly cost would have to increase to ensure that all costs could be met and cover any hours not used and paid for. On paper this may appear to be reasonable yet it would not reflect the reality and what may seem to give families more flexibility would in fact be more costly and more likely to create uncertainty; not to mention that it would be an administrative nightmare.

For a service to be deemed a Long Day Care Service it needs to be opened for 10 hours or more in order to provide the service it is intended for, that is, to provide an education and care



service for children so that their families may continue to be currently employed, return or enter into the workforce. These hours accurately reflect that families need time to get ready, drop their children off at the service, attend work or study and then collect their children on their way home.

In order to deliver a program at the highest possible level we employ staff on a permanent basis and try to have as few casual staff as possible. This strategy is seen as a vital contributor to the quality of program delivery and it is acknowledged as such in the National Quality Framework as it facilitates the achievement of best outcomes for children. This strategy offers consistency and continuity to many aspects of a service's operation, which enables a service to demonstrate its ability and commitment to quality especially as described in all 7 Quality Areas of the National Quality Framework.