

Dissenting Report

Senator Hanson-Young

1.1 The Government's decision on budget night to freeze the indexation of the childcare rebate for four years at the 08/09 level of \$7,500, will affect tens of thousands of Australian families.

1.2 This plan will only save the Government \$86.3 million over four years, yet could cost some parents up to \$1000 extra per year.

1.3 While the Greens are supportive of the implementation of a National Quality Framework for Early Childhood Education and Care, freezing the indexation of the rebate to help fund some of the initiatives will only increase the cost of childcare for families across the country. We know that raising standards will undoubtedly increase costs. We want qualified people looking after our kids but the Government needs to share the load in ensuring that childcare remains affordable.

1.4 Although Government Ministers have suggested that only a "few thousand families" will be affected by this measure, figures obtained by the Department of Education, Employment and Workplace Relations prove that there will be a much broader impact across the board.

Families affected:

2010/11 – 26,000

2011/12 – 38,800

2012/13 – 54,500

2013/14 – 72,500

1.5 The Greens want to see a greater investment in early childhood education, and that means ensuring that parents are not the ones footing the bill of the government's agenda. Evidence suggests that the daily fees of long-day care have increased with the introduction and expansion of the Rebate. This has not proven to be a cost effective model for parents, nor has it increased the quality of care.

1.6 We want to see a long-term commitment to review, and change the current funding mechanism to one which would fund the service directly, would give the Federal Government more "bang for their buck", directly linking funding to quality outcomes.

1.7 What we need to see is money going directly to funding the provision of quality childcare services, ensuring that what is undoubtedly an essential service is accessible and affordable for families.

1.8 As part of their 2007 election campaign, the ALP released their plan for childcare, stating: “In office, Federal Labor will fast-track the introduction of the Child Care Management System with the goal, subject to the development of delivery mechanisms, of paying the rebate to parents every fortnight at the same time as their child care benefit”.

1.9 The Greens want to see the rebate be made available to parents on a fortnightly basis, in line with other family assistance payments. This would at least ease the burden on families, who will undoubtedly experience a rise in childcare costs over the four year period that indexation is frozen, and when the new quality framework is expected to be rolled out across the country.

Recommendation 1

1.10 The Greens will be seeking to amend the Family Assistance Legislation Amendment (Child Care Budget Measures) Bill 2010, to make the childcare rebate payable on a fortnightly basis.

If the Government refuses to stand by their own 2007 election promise, to ease the financial burden on parents, then the Greens will not be supporting the plan to freeze the rebate at \$7500 for the next four years, during which the National Quality Framework is also expected to roll out.

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Greens Spokesperson for Early Childhood Education