# **Labor Senators' Dissenting Report**

- 1.1 Labor Senators on this committee reject the recommendation contained in the majority report.
- 1.2 Consistent with the evidence presented to this Inquiry, Labor Senators reject the linking of harsh cuts impacting the most vulnerable Australians to funding for child care and the National Disability Insurance Scheme (NDIS).
- 1.3 With regards to the child care changes, evidence presented to this Inquiry has again reiterated concern about aspects of the changes.
- 1.4 Submissions to this Inquiry have reiterated evidence rejecting the cuts included in this Bill because of their impact on low and middle income families, in particular single parents, pensioners, jobseekers, young people, people with disability and carers.
- 1.5 The majority of the savings measures in this Bill have all previously been considered through Senate Committee inquiries into Bills, including:
- Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015;
- Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015;
- Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014;
- Social Services Legislation Amendment (Budget Repair) Bill 2015;
- Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill (No. 2) 2015;
- Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2016;
- Social Services Legislation Amendment (Budget Repair) Bill 2016.
- 1.6 Labor Senators' Dissenting Reports on each of these inquiries outline the conclusive and near unanimous evidence provided to the Committee rejecting the measures.
- 1.7 The child care changes in this Bill have also previously been considered in two Inquiries of the Senate Standing Committee on Education and Employment into earlier versions of the Bill:
- Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015;
- Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016.

# The linking of funding for child care and the NDIS to harsh cuts

- 1.8 Evidence presented to this Inquiry was again unanimous in rejecting the linking of changes to child care assistance to harsh cuts to social security payments.
- 1.9 This Bill for the first time links the child care changes not only to family payments cuts, but to all of the Government's unlegislated 'zombie' measures, the majority of which were originally announced in the 2014 Budget, and have which been rejected by the Parliament.
- 1.10 The Government has also linked these cuts to funding the NDIS. Labor in Government made sure the NDIS was fully funded. The attempts by the Liberal / National Government to link cuts to vulnerable Australians to funding of the NDIS have been roundly rejected. This linking has also been unanimously rejected by evidence to this Inquiry and to this Committee's Inquiry into the *National Disability Insurance Scheme Savings Special Account Bill 2017* which would establish a special account for this purpose.
- 1.11 Dr Cassandra Goldie, CEO, Australian Council of Social Service (ACOSS) stated:

We oppose this omnibus savings and child-care reform bill, and we continue to urge both the committee and the parliament to reject it. We also want to express our strong opposition to the linking of the cuts associated with this omnibus bill to the purpose of finding greater investment in child care and the NDIS.

In the opinion of the Australian Council of Social Service, this bill inappropriately links savings which in our view target people on the lowest incomes in Australia as a measure in order to finance very important social policy measures, including the NDIS and of course universal services such as child care. The budget needs to be seen overall; it is a question of general revenue. We do not believe it is appropriate to be tying these measures together in this way.<sup>1</sup>

1.12 Early childhood education organisations also reiterated their opposition to the linking of child care funding to these cuts:

We do not believe the bill should ever have been combined with savings in social services and welfare payments. The investment in early childhood education and care is not a welfare spend. It is an investment in education and workforce participation. We did not ever believe it was appropriate to combine those. We have also been very clear that we do not support the current proposals around family tax benefit cuts. It is important to note that we did support changes to family tax benefit that re-targeted payments to higher income families, where we did not believe that those payments were necessary or relied on by families, in order to improve investment in other areas. Previous cuts to family tax benefit have had the support of our organisation, but the current cuts proposed go too deep, impacting on

Evidence to the public hearing, Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017, 9 March 2017.

families below income levels of \$80,000 per annum. We do not support those. We are very concerned that even families that would be better off under increased childcare subsidies will still be worse off, at the end of the day, if affected by family tax benefit cuts as well. It is not just pragmatic; it is also that we do not support the cuts proposed in the savings bill. – Ms Sam Page, CEO, Early Childhood Australia<sup>2</sup>

1.13 Goodstart Early Learning expressed similar views in their evidence, and stressed that the Government's proposed changes have already been paid for by other savings measures.

I think the government was initially surprised that the early childhood sector did not support savings that would pay for investment in child care. However, we have had some very lengthy discussions and explained our position. The cuts that have already been made to the family tax benefit could be used to underpin the increased investment in early childhood education and care. There are already enough cuts that have been made to do that. But the investment in early childhood education pays for itself anyway within three to four years, so we just do not believe it is necessary to predicate investment in early childhood education on savings cuts in other areas. ... With the compliance changes that were made, particularly in the family daycare sector, in September 2015, September 2016 and last month, we are now looking at upwards of \$1.8 billion of savings, over the forward estimates, minimum in compliance. We suspect it is actually significantly higher than that because of the changes that were made in MYEFO in December. Our package is a lot less than that. To put that into perspective, that means that—even when our package takes effect in 2018—the government will actually be spending less on child care in 2018 than it thought it would be. - Mr John Cherry, Advocacy Manager, Goodstart Early Learning.<sup>3</sup>

1.14 The Parenthood also shared the view that no further savings should be required to fund the child care changes:

...there have been a lot of changes within the child care and early education sector, that those changes have presented a great deal of savings and so this has already been paid for. Families have gone through cuts previously; the money is absolutely there. Tying it to these cuts is disingenuous. – Ms Nicole Lessio, Principal Campaign Manager, The Parenthood.<sup>4</sup>

- 1.15 Labor Senators agree with witnesses who stated there was no need for the Government to tie the proposed child care changes to the cuts in the Bill; particularly in light of the significant savings and write-downs recently realised in the early education portfolio.
- 1.16 Unions too rejected the linking of funding for changes to child care to the savings measures included in the Bill:

<sup>2</sup> Evidence to the public hearing, 9 March 2017.

<sup>3</sup> Evidence to the public hearing, 9 March 2017.

<sup>4</sup> Evidence to the public hearing, 9 March 2017.

Our submission to this Inquiry reminds the Senate and the government that early childhood education care is too important to tie to other funding measures and savings measures. Any changes to the current system need to have at their very heart what is best for the children, the families and the early childhood education and care workforce. – Ms Helen Gibbons, Policy Analyst, United Voice.<sup>5</sup>

1.17 The Parenthood, representing parents and families also reiterated their opposition to linking cuts to family payments and to funding changes to child care. <sup>6</sup>

### **Family Payments**

- 1.18 The cuts to Family Tax Benefit (FTB) introduced in their Bill are revised from those considered previously by this Committee. The key differences from previous packages are that the Government has abandoned the abolition of FTB Part B for single parents whose youngest child is aged 13-16; and that the increase to maximum rate of FTB Part A would be \$20 per fortnight, compared to \$10 in previous legislation.
- 1.19 In spite of these changes, these cuts to the incomes of low and middle income families were wholly rejected by evidence submitted to the Committee.
- 1.20 The Department of Social Services confirmed that the changes would leave 1.5 million families worse off, and that 587,458 of these families have income of less than \$52,000 per year. 2.2 million children will be impacted by cuts to FTB Part A alone.<sup>7</sup>
- 1.21 The worst hit by these cuts will be single parents whose youngest child is aged 17-19 and still in secondary school. They will lose \$3,186 in FTB Part B alone. DSS confirmed that around 38,200 single parent families will be in this situation.<sup>8</sup>
- 1.22 The committee heard powerful evidence on the impact of these cuts on low income families:

I heard recently from families who said they really depend on those supplements to pay for things, big-ticket items, like car registration. They might purchase new shoes for their children for school. - Ms Charmaine Crowe, Senior Policy and Advocacy Officer, ACOSS.<sup>9</sup>

We facilitated a nationwide online survey to really gain the impacts as the families would predict, should these cuts go through as proposed, and just

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<sup>5</sup> Evidence to the public hearing, 9 March 2017.

<sup>6</sup> Evidence to the public hearing, 9 March 2017.

Ms Cath Halbert, Group Manager, Department of Social Services, evidence to the public hearing 9 March, 2017.

<sup>8</sup> Ms Cath Halbert, Group Manager, Department of Social Services, evidence to the public hearing 9 March, 2017.

<sup>9</sup> Evidence to the public hearing, 9 March 2017.

under 800 people completed it. ...81 per cent predicted that they would run out of food; 76 per cent predicted that they would pull their children out of activities; 81.9 per cent predicted that they would have trouble paying for their utilities and would probably incur late payment fines; a little over 80 per cent said that they would continue to struggle and would not be able to afford the school uniform; and 78 per cent—and we wrote to the AMA with this—said that they would miss medical appointments, that they would not fill prescriptions and that they would forgo health care; 72 per cent said that they would have trouble keeping a car on the road; and a high degree—72.6 per cent—said that they would have to rely on the goodwill of others' charity just to get by. – Ms Terese Edwards, CEO, National Council for Single Mothers and Their Children. 10

1.23 Labor Senators recommend that the Senate oppose these cuts, because of the significant impacts on families, in particular single parents and those on low incomes.

#### **Paid Parental Leave**

- 1.24 The Bill also introduces revised changes to Paid Parental Leave (PPL), capping the total amount of leave that a primary carer can access at 20 weeks.
- 1.25 While this revised measure would allow mothers to access an additional two weeks of leave in comparison to the original measure, evidence presented to the Committee confirms that these changes would undermine the objectives of the PPL scheme, and leave 70,000 new mothers with less time to spend with their babies.
- 1.26 The Committee was presented with a range of evidence from employees and employers from a range of sectors including nursing, policing, retail and the service sector, demonstrating the benefits of the current scheme and the negative impacts that these changes would have on new mothers, in particular those on low incomes:

The proposed changes will definitely reduce income for women, many of whom are in low-paid positions. Although they may receive some paid parental leave from their employer, they will be disadvantaged considerably. – Professor Marian Baird. 11

It is commonly assumed that employees entitled to employer funded paid parental leave have access to generous arrangements and can readily afford to forego the government contribution, but this is untrue. Just under 80 per cent of recipients earn less than \$78,000 per annum and half of all recipients earn less than \$52,000. We believe it is unconscionable for the government, which has rejected any number of tax and economic reforms which would raise government revenue, to target cuts to vital support programs for women, families and children. – Ms Ged Kearney, President, Australian Council of Trade Unions. <sup>12</sup>

<sup>10</sup> Evidence to the public hearing, 9 March 2017.

Evidence to the public hearing 1 February 2017.

<sup>12</sup> Evidence to the public hearing, 1 February 2017.

- 1.27 DSS confirmed that 0.04 per cent of women who are in receipt of government paid parental leave earn between \$140,000 and \$150,000 and that the median income of mothers who would lose access to PPL as a result of these changes is \$69,000 per year. For those who will have a reduced amount of PPL the median income \$62,000. 13
- 1.28 Compelling evidence was presented to the Committee by the Police Federation, demonstrating the importance of PPL for women working in dangerous and shift work, and the importance of this for them remaining in the profession after having children:

Female participation in the police service is extremely low compared to national figures for most other occupations. However, rates have increased since the introduction of paid parental leave and flexible working arrangements...we are advised that, on average, female police officers leave the force after only seven year's service while their male counterparts leave after approximately 14 year's service. Women are being penalised for having children. It is remarkable that in this day and age women are being put in a position to choose between a career or starting, or adding to, a family. – Mr Mark Burgess, CEO, Police Federation of Australia. 14

- 1.29 Both unions and employee groups raised concern about employers withdrawing their own schemes if the changes were to pass the Parliament, because the changes effectively penalise employees for having access to employer provided leave.
- 1.30 The Australian Chamber of Commerce and Industry (ACCI) stated that:

When we saw the review of the act in 2014, we did see that relatively few employers withdrew or reduced their employer-funded parental leave provisions as a consequence of the introduction of the scheme. That is telling in a number of respects. Employers do provide these benefits of their own volition, and they do so for a variety of reasons—attraction-retention strategies; to be an employer of choice. They want to ensure that employees are getting maximum value out of parental-related benefits so, if this change is to proceed, the feedback from within our membership is that employers are likely to restructure benefits so that employees will continue to receive the 18-week funded payment valued at around \$12,000. And they will look at maintaining their level of funding and support for parental-related entitlements, but may not do so in the way that they are doing at the moment if it is having the effect of reducing or limiting access to government-funded entitlements. – Ms Alana Matheson, Deputy Direct, Workplace Relations, ACCI. <sup>15</sup>

1.31 The Australian Nurses and Midwives Federation (ANMF) stated that:

Employers are coming to us now and saying, "we'd all be better off if we just accepted the government scheme,' because the fact is that most of the

<sup>13</sup> Ms Roslyn Baxter, Group Manager, DSS, evidence to the public hearing, 1 February 2017.

Evidence to the public hearing on 1 February 2017.

Evidence to the public hearing on 1 February 2017.

people who will be entitled to paid parental leave benefits are low-paid part-time workers. – Mr Nicholas Blake, Senior Industrial Officer. <sup>16</sup>

1.32 Witnesses including researchers, business leaders and unions have said that it is likely the Government would not realise the saving they expect from the cut given people will adjust their behaviour accordingly.

We can expect that employers will not pick up the cost, and, as their enterprise agreements terminate, they may reconsider whether they include the paid parental leave entitlement. What the government is doing is shifting the cost of that to the employer, and they could look at other ways of making themselves an employer of choice...Under the proposal the government would pay fewer weeks of parental leave. But if the employer removes their contribution then the government has to continue paying 18 weeks, so the saving would not be recouped. – Professor Marian Baird. 17

The additional administration costs- due to there being more complexity of the payment- could be quite substantial. – Professor Guyonne Kalb, Melbourne Institute.<sup>18</sup>

Cuts to PPL aimed at reducing the cost to government may, therefore, increase costs to government elsewhere in the short and longer term. PPL should not be viewed as a cost to governments that much be curtailed; we think it should be viewed as an investment with big pay-offs for the nation's future productivity, health and wellbeing. – Dr Myra Hamilton, Work and Family Policy Roundtable. <sup>19</sup>

Reducing paid parental leave is unlikely to produce significant savings. If the majority of businesses withdraw their support for paid parental leave, the amount clawed back under the proposed amendments will be minimal and savings made over the forward estimates will be much lower than the government anticipates. The proposed cuts to paid parental leave are likely to generate increased unmet demand for childcare places and maternal and child health services. Ged Kearney, President, Australian Council of Trade Unions.<sup>20</sup>

1.33 Business leaders also raised concerns that the cuts will make it harder to retain staff after they have children.

On the issue of what the impacts might be on [workforce] participation, we are concerned about this issue... at the moment it is not clear what the

17 Professor Marian Baird, Private Capacity, Evidence to the public hearing 1 February 2017.

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<sup>16</sup> Evidence to the public hearing 1 February 2017.

Professor Guyonne Kalb, Melburne Institute, Evidence to the public hearing 1 February 2017.

<sup>19</sup> Dr Myra Hamilton, Work and Family Policy Roundtable, Evidence to the public Hearing 1 February 2017.

<sup>20</sup> Ged Kearney, President, ACTU, Evidence to the public hearing 1 February 2017.

impact would be. Stephen Smith, Head of National Workplace Relations Policy, Australian Industry Group, 1st February 2017.<sup>21</sup>

Cutting government funded PPL is completely inconsistent with Australia's commitment to reduce the gap between male and female participation rates by 25% by 2025. If we are to meet the agreed target for G20 nations and address the gender pay gap, we need to do more, not less. Ged Kearney, page 40.<sup>22</sup>

1.34 The Human Rights Commission also rejected the changes:

The commission does not support the Bill in its current form. This is because of the likely negative impact of this bill on the equality and economic security of women. It is also because the evidence before the commission and in submissions to this committee suggest that the budget savings from the bill will be outweighed by the longer term economic costs. There is no economic modelling in existence to counter this evidence. To pass the bill in the absence of such research therefore presents an unacceptable risk to both gender equality and the broader Australian economy. Commissioner Kate Jenkins, Sex Discrimination Commissioner, Australian Human Rights Commission. <sup>23</sup>

1.35 Based on this overwhelmingly negative response to the changes, Labor Senators recommend that the changes to PPL be opposed by the Senate.

# **Energy Supplement**

- 1.36 Labor Senators are concerned about the proposed abolition of the Energy Supplement included in the Bill, which would mean a cut to payments for all new recipients of pensions and allowances.
- 1.37 DSS confirmed in Senate Estimates that this would see 1.7 million people lose the Energy Supplement by 2020. This would include around 403,000 age pensioners, 472,000 people on Newstart and around 200,000 Youth Allowance recipients.<sup>24</sup>
- 1.38 This would be a cut of \$14.10 per fortnight to single pensioners or \$365 a year. Couple pensioners will be \$21.20 a fortnight worse off or around \$550 a year worse off.
- 1.39 Evidence presented to the Committee raised concern about the impact of this cut, particularly for people on Newstart for which there is already broad consensus that it is inadequate.

Commissioner Kate Jenkins, Sex Discrimination Commission, Australian Human Rights Commission, Evidence to the public hearing, 1 February 2017.

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<sup>21</sup> Stephen Smith, Head of National Workplace Relations Policy, Australian Industry Group, Evidence to the public hearing 1 February 2017.

Ged Kearney, Evidence to the public hearing 1February 2017.

Cath Halbert, Group Manager, Payments Policy, Department of Social Services, Community Affairs Estimates 2 March 2017, Hansard.

\$4.40 a week really doesn't sound like much to you or I, but that could be a return bus trip to a job interview for instance, it could cover the cost of a semi regular haircut over the course of the year, which is probably pretty important for someone who is looking for work. Over the course of the year it could cover the cost of much needed dental treatment that the person is unable to receive in the public system, so it really does add up, especially over time. And I should add, if it was removed, it would remove the first real increase to the Newstart Allowance since 1994 when the payment was increased by \$2.95 per week above CPI. It really underscores the paucity of the payment, and it is at the moment absolutely inadequate to cover the cost of living, particularly where the person is renting privately, it is well below the poverty line, and it's falling further and further below the poverty line because it is only indexed to CPI. So I can't really stress enough how grave it would be to lose that payment. Charmaine Crowe, Senior Policy and Advocacy Officer, Australian Council of Social Service. 25

### Other savings measures

- 1.40 The majority of other savings measures in this Bill have been examined by several Inquiries of this Committee, in which evidence has overwhelmingly rejected these harsh cuts because of their impacts on the most vulnerable Australians.
- 1.41 Evidence provided to this Inquiry has reiterated the damaging impacts of these measures for the most vulnerable in our community and confirms Labor's position that the Bill should be rejected.
- 1.42 To recommend passage of these measures would be to recommend the imposition of harsh and unfair cuts to low and middle income individuals and families.
- 1.43 This legislation makes it harder for migrant pensioners to continue to receive their pension while they are overseas. This is a cruel and unfair cut. There are many older Australians who left family or fled conflict on the other side of the world to build a better life in our country.
- 1.44 They have spent decades working hard, paying taxes, raising families and making Australia a better place. They deserve the pension, just like any other eligible older Australian.
- 1.45 This legislation will also remove important supports for pensioners and other low-income Australians who are seeking to improve their opportunity in life by getting an education, and meeting the associated costs.
- 1.46 This Bill would freeze for three years the indexation of income test thresholds for income support payments, meaning that the amount that recipients could earn before their payments are reduced would not keep pace with the costs of living.

<sup>25</sup> Charmaine Crowe, Senior Policy and Advocacy Officer, ACOSS, Evidence to the public hearing March 9 2017.

- 1.47 These measures will have significant impacts on low-income households.
- 1.48 It is clear that these measures do not carry the support of the vast majority of the submissions made to this Inquiry.
- 1.49 The submitters' comments outlined in the majority report are unequivocal: these measures are fundamentally unfair. They should not be supported.
- 1.50 Labor Senators see no reason to repeat that evidence again. It is unfortunate that the majority members of the Committee have chosen to dismiss that evidence so comprehensively.

# **Early Education and Care**

- 1.51 Labor supports additional investment in early education and care. However, Labor Senators remain concerned that long-identified flaws in the proposed child care package have not been addressed.
- 1.52 The Government has repeatedly ignored warnings by experts and the early childhood sector in relation to:
- The impact on access to early education for vulnerable and disadvantaged children;
- The need for certain and dedicated funding for Indigenous and mobile services; and
- The complexity of the activity test, which will make it more difficult for many families to maintain stable access to child care and participate in the workforce.
- 1.53 The issues raised during the two previous inquiries into the early education and care component of this Bill remain relevant, as do the dissenting reports issued by Labor Senators at the time.
- 1.54 Labor Senators note that witnesses overwhelmingly reaffirmed stakeholder concerns about the impact of the proposed changes on children's access to early learning, and the importance of access to two days early education per week, particularly for vulnerable and disadvantaged children.
- 1.55 Dr Cassandra Goldie from the Australian Council of Social Services stated:

Our concerns about the childcare bill are directly associated with what we believe and what the experts have also confirmed will be the effect of this, which is that we will move away from enabling access to early childhood education and care of a minimum of two days per week, which is considered to be the minimum that should be available to children...<sup>26</sup>

1.56 Mr Bernie Nott from the Early Learning and Care Council of Australia told the committee:

<sup>26</sup> Dr Cassandra Goldie, CEO, ACOSS, Evidence to the public hearing 9 March 2017.

The evidence is clear that children benefit from access to high-quality early learning, particularly from two days per week, as articulated in the evidence brief tabled with our submission... However, we fear that the childcare proposal currently before the Senate will cut access to early learning in half or, worse still, to zero for some families earning less than \$65,000 per year. Children from up to 100,000 low-income families could be worse off as a result. We therefore recommend that the package is modified to ensure all children have access to at least two days of early learning. <sup>27</sup>

1.57 Ms Sam Page from Early Childhood Australia reiterated that 23 major early childhood stakeholders – including children's advocacy groups and providers – do not support the Bill in its current from. She explained that the stakeholders had agreed the Safety Net hours in the Bill would need to increase from 12 to at least 15 per week in order to support two sessions of care for vulnerable and disadvantaged children:

I want to clarify that the 15 hours came out of discussions with the government where we were saying: 'We cannot support the package as presented. We need it to be balanced more on child development. We need to get some of the children who are excluded from the system based on the proposed reforms back into the system. We need to be confident that we can deliver two days, particularly for disadvantaged children.'... The policy objective we are all aligned on is the two days a week entitlement.<sup>28</sup>

- 1.58 Mr Paul Mondo, President of the Australian Childcare Alliance stated: From our perspective, we have come to this minimum requirement of 15 hours as one of the ways of trying to ensure that that service provision is over the two days.<sup>29</sup>
- 1.59 Labor Senators note the Department of Education and Training agreed with the evidence provided by other witnesses about the educational importance of children accessing two or more days early education a week. Labor Senators also note the Department's acknowledgement of the role of increased Safety Net hours in supporting at least two days early education a week. Currently the Bill provides only 12 hours per week for vulnerable and disadvantaged children under the Safety Net. Ms Jackie Wilson from the Department of Education and Training said:

The fact that it is 15 means that they will be required to be provided over two days, and it will be up to service providers to enable that to occur. As I think one of the speakers this morning, Ms Page, said, they will be working very actively with the sector to ensure that that is so. I should point out that the benefits of care are over multiple days. Whether that is two or three, it would be up to the sector to respond. There are some in the sector who would like to do three lots of five rather than two lots of 7½. As long as

<sup>27</sup> Bernie Nott, Co-Chair, Early Learning and Care Council of Australia, Evidence to the public hearing 9 March 2017.

<sup>28</sup> Evidence to the public hearing 9 March 2017.

<sup>29</sup> Evidence to the public hearing 9 March 2017.

they are multiple sessions— that is where the educational benefit comes in  $^{30}$ 

1.60 Ms Page also expressed concerns about the impact the activity test would have on the children of parents who work casual hours:

If you are on contract work or you take short-term work or you are in a casual labour market, you are going to really struggle to meet that activity test all the time. So, where we have identified improvements to the package, it is to try to stabilise participation for those children.<sup>31</sup>

1.61 Ms Geraldine Atkinson from the Secretariat for National Aboriginal and Islander Child Care was frustrated that even in light of the findings of previous and current reviews, the Government still planned to 'mainstream' many Indigenous services:

I do not believe that he (the Minister) understands the difference that exists within Aboriginal and Torres Strait Islander communities. I do not believe that he understands that a service needs to be provided to cater to those needs. I am just not sure that he does get it. <sup>32</sup>

1.62 Ms Anne Bowler from the National Association of Mobile Services agreed that the different operational environment and needs of families and children in rural and remote locations were still not being recognised by the Government:

We are saying, 'Yes, you are funding a childcare model, but you are mainstreaming geographic and cultural services that can't fit in the mainstream model.'33

- 1.63 Both Ms Atkinson and Ms Bowler told the committee that Indigenous and mobile Budget Based Funded services continued to face deep uncertainty about funding arrangements. Without funding certainty they again confirmed that many services would face closure.
- 1.64 Last year, the Prime Minister gave a written assurance that alternative funding sources would be identified for Budget Based Funded services for which the core purpose is not child care. Labor Senators note with concern that to the knowledge of the peak groups representing Budget Based Funded services, no funding source has yet been identified in line with this commitment.

#### **Recommendation 1**

1.65 That the Senate reject the Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017.

Anne Bowler, Chairperson, National Association of Mobile Services for Rural and Remote Families and Children, Evidence to the public hearing 9 March 2017.

<sup>30</sup> Evidence to the public hearing 9 March 2017.

<sup>31</sup> Evidence to the public hearing, 9 March 2017.

<sup>32</sup> Evidence to the public hearing, 9 March 2017.

#### **Recommendation 2**

1.66 That the Government de-couples the child care changes from unfair and unrelated cuts.

#### **Recommendation 3**

1.67 The Government takes the cuts to pensioners, cuts to new mothers, families, young people, jobseekers, people with disability and carers contained in the Bill out of the Parliament and out of the Budget.

### **Recommendation 4**

1.68 The Government fixes the proposed child care changes so vulnerable and disadvantaged children continue to have access to two days early education a week, and Indigenous and country services are protected.

Senator the Hon Lisa Singh

**Senator Murray Watt**