

MUNICIPAL ASSOCIATION OF VICTORIA

10 June 2014

Julie Agostino
Secretary
Senate Education and Employment Legislation Committee
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Dear Senators

Senate Inquiry into the Family Assistance Legislation Amendment (Child Care Measures) Bill 2014

The Municipal Association of Victoria (MAV) is the legislated peak body representing Victorian Local Government. Councils are the leading provider of early years infrastructure in Victoria and all Victorian councils are committed to the aim of providing children in their municipality with the best possible start in life through effective planning, development and provision of services that improve the health, connectedness, education and care of children and their families.

MAV is responding to the Senate inquiry into the provisions of the Family Assistance Legislation Amendment (Child Care Measures) Bill 2014. MAV understands that the Bill proposes amendments to the *A New Tax System (Family Assistance) Act 1999* (New Tax Act) to implement Budget savings measures. Specifically, the Bill proposes to amend the New Tax Act to:

- Maintain the current Child Care Rebate (CCR) limit at \$7,500 per child, per financial year, by continuing to pause the indexation of the CCR limit for a further three income years to 30 June 2017; and
- Maintain the Child Care Benefit income thresholds at the amount applicable as at 30 June 2014, for three income years to 30 June 2017.

We are greatly concerned that these measures will place additional burden on families who are already facing significant affordability and accessibility impacts from other Federal Budget reforms.

MAV has expressed its concern at the Federal Budget funding reforms which will dramatically affect Victoria's Family Day Care (FDC) operators and could cause families to miss out on



affordable, accessible child care from next year. MAV estimates that the new eligibility criteria for the Federal Community Support Programme (CSP) which was set up to fund FDC operators could cost families an extra \$1700 per year in fees for fulltime care.

This announcement comes on top of uncertainty for 15 hours of kindergarten, with no funding committed by the Commonwealth for operational costs of the additional five hours introduced under national reforms. Current average preschool fees of \$1,200 a year could rise by 129 per cent or \$1,547 to \$2,750 per child if \$113 million of federal funding for the additional five hours is not ongoing beyond December 2014.

A further damaging blow to Victorian families is the cut of \$57 million to the Commonwealth/State partnership agreement on preventative health, despite being signed to continue until 2018.

Victorian Local Government involvement in Early Childhood Education and Care (ECEC)

Local government in Victoria has a statutory role to plan for its communities and does so through its Municipal Health and Wellbeing Plans and its non-statutory Municipal Early Years Plans. All Victorian councils are also required to follow up on each birth notification and provide/coordinate maternal and child health (M&CH) services for local parents, with targeted support for vulnerable families. Historical practice, legislative requirements and Victorian State Government policy directions have influenced the role of local government which has led to councils playing a significant and active role in the ECEC service delivery system with local government representing approximately 20% of the system today across both centre-based and home-based care.

All Victorian councils provide early years infrastructure and in the period 2009 – 2013 have invested over \$210million in early childhood facilities. Victorian councils play a key leadership, coordination and capacity building role across their early years communities. All councils provide a Maternal and Child Health Service, 26 councils provide direct kindergarten services, 18 directly operate child care services, 55 undertake central registration for kindergarten places in their municipalities and over 40 councils operate Family Day Care. This is in addition to a providing and/or supporting a range of other ECEC services including Supported Playgroups and Community Playgroups, Vacation and Occasional Care, Outside Hours School Care.

MAVs position in relation to Commonwealth provision of Early Childhood Education and Care

On 9 December 2013 the MAV wrote to the Hon Sussan Ley MP in support of the Commonwealth Government maintaining and expanding its investment in and commitment to the National Partnership on Early Childhood Education and the National Quality Reforms.

MAV outlined in its Submission to the Productivity Commission Inquiry into Child Care and Early Childhood Learning, February 2014 its consistent position which is underpinned by the following principles:

- Support all families by ensuring affordable and flexibility of choice in high quality childcare options that optimise children's learning and development
- Maintain public investment in a universal approach to early childhood education and care with a priority focus on vulnerable families
- Provide infrastructure support for capital, workforce, planning and integration, and regulatory requirements
- All levels of government planning and funding be reviewed to ensure greater collaboration and used more strategically

MAV also responded in March 2014 to the Senate Inquiry into the immediate future of the childcare sector in Australia and the Senate Inquiry into the delivery of quality and affordable early childhood education and care services

The MAV appreciates the opportunity to make this submission and recommends the Commonwealth Government does not proceed with these Budget savings measures.

Yours sincerely

ROB SPENCE
Chief Executive Officer

