

## Regulation Impact Statement

I have concerns about the planned changes to the child care system for Australia. There are three issues that will have a significant negative impact for every child to have an equal access to early childhood education and care:

- The Proposed Activity Test
- The potential impact of the changes of hours
- The proposed changes to priority of access guidelines

I do not believe that these proposed changes will uphold the rights of children, families and the community as far as early childhood education and care (ECEC) is concerned. Children will have their hours of early education and care determined by the activities of their parents. Now they have access to at least 24 hours of funded ECEC per week, under the new activity test only children whose parents work (or do another allowable activity) two days or more a fortnight would have access to this amount. Families who don't meet the activity test and have incomes of less than \$65000 will have access to 12 hours of funded care per week. Children from disadvantaged families will not have the same access of education and care as other children. It appears that this is a step towards families being subsidised for the hours of care they use rather than the hours of care a service is open. This means families will either attend services set up to cater for children on reduced days or will only be able to attend services for shortened hours. Subsidy for hours of care they use, rather than hours of care a service is open is likely to effect the hours a service will open and the viability of services. The RIS suggests the Priority of Access arrangements will include children at risk and children in single families whose parent works or children in two parent families where both parents work. Removing the priority of access guidelines may result in reduced access to early childhood education and care for some disadvantage children.

Between the Activity Test, the changes to hours of care and the removal of the priority of access arrangements; we will have a system of funded early childhood education and care:

- where highly vulnerable children will miss out (for example, a child of parents with unstable employment, a child being cared for by grandparents, a child with additional needs with a parent who is a full time carer).
- Children who need access to additional ECEC will have access to only limited hours (children whose parents do not work or children with additional needs with a parent who is a full-time carer).
- Children may be disadvantaged by only being able to stay for a shorter period of time compared to other children or attending a service specifically available only for reduced hours.

Changes will impact significant on Aboriginal children who have been attending Budget Based Services who will be transitioned to the new system at the same time these changes will be made.

Risks considered:

- The risk that children and families will be forced out of ECEC.
- The risk that families and children will not be able to access the same amount of child care that they do now.
- The risk that the families that benefit the most from ECEC will be the ones who will have most trouble gaining access
- The risk that families will be left with large debts because of fluctuating eligibility for the Child Care Subsidy.

- The risk that services and families will not be adequately equipped with information and resources to deal with the changes proposed
- The risk that services, in small communities and Aboriginal communities will close.

Some communities will not be able to sustain a childcare service on subsidies because of fluctuating population 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 if they are in small communities or not. A Child Care Assistance Package of this magnitude should be able to support ongoing support to such services to ensure their viability.

We believe the package needs to be totally re-examined to include high quality early learning and care for **all children** in order to create opportunity, reduce inequality and boost the educational achievement of the rising generation, a win for society and the economy.

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