

The Senate

Education and Employment References Committee

Immediate future of the childcare sector
in Australia

July 2014

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TABLE OF CONTENTS

MEMBERSHIP OF THE COMMITTEE	iii
GLOSSARY.....	vii
RECOMMENDATIONS.....	ix
CHAPTER ONE	1
Terms of Reference	1
Background.....	1
Productivity Commission inquiry.....	3
Simultaneous inquiries	4
CHAPTER TWO	7
2014–15 Budget and Universal Access.....	7
Introduction	7
The costs of child care	7
The effectiveness of government rebates	8
Availability of child care	9
Overseas initiatives.....	11
Productivity and workforce participation.....	12
2014–15 Budget and consequences for affordability	14
Jobs and Education Training Child Care Fee Assistance (JETCCFA)	15
Community Support Program.....	17
Workplace English Language and Literacy	18
Universal Access funding commitments	19
COALITION SENATORS' DISSENTING REPORT	27
Background to the inquiry	27
2014–15 Budget and Universal Access	27
Child Care Assistance.....	29

Jobs and Education Training Child Care Fee Assistance (JETCCFA)	29
Community Support Program.....	30
National Partnership agreement on Universal Access	31
Conclusion	32
AUSTRALIAN GREENS ADDITIONAL COMMENTS	33
ADDITIONAL COMMENTS BY SENATOR NICK XENOPHON.....	37
APPENDIX 1	43
Submissions	43
Additional information	45
Correspondence	45
Response to questions on notice	45
APPENDIX 2	47
Public Hearings.....	47

GLOSSARY

Family Day Care

Family Day Care (FDC) offers flexible home-based education and care for children via a network of FDC educators. Many FDC providers are responsible for their own recruitment, training and employee support, as well as the administrative aspects of the National Quality Framework (NQF). FDC providers can provide all day, part-time, casual, overnight and before and after school care, if required. Like other providers, FDC services must comply with the Education and Care Services National Law (the National Law) and the Education and Care Services National Regulation 2011 (National Regulations).

Long Day Care

Long Day Care (LDC) or centre-based child care, operates between 7.30 pm and 6 pm. Many LDC centres offer either part or full day care, or morning or afternoon sessions. Many LDC providers in Australia are run by private companies, local councils, community organisations, individuals or not-for-profit organisations.

National Quality Framework

The NQF is the national system underpinned by the National Law and the National Regulations. Under the NQF, services are required to display their rating, and ratings are published by Australian Children's Education and Care Quality Authority (ACECQA) and on the MyChild website.

Occasional Care

Occasional Care offers professional care for children on a casual basis. This service is suitable for families who do not need child care on a regular basis but would like someone to look after their children occasionally.

Outside School Hours Care

Outside School Hours Care (OSHC) or Out-of-School Hours care provide services to mostly primary school aged children, before and after school hours during school holidays or pupil free days. Many centres are co-located with primary schools, in halls or playgrounds.

Key reference

Department of Education, *What are my child care and early learning options?*, <http://www.mychild.gov.au/sites/mychild/childcare-information/pages/options> (accessed 14 July 2014).

RECOMMENDATIONS

Recommendation 1

2.57 The committee recommends that the government rescind its proposed budget changes to ECEC funding, particularly in relation to CCB.

Recommendation 2

2.58 The committee recommends that the government act to immediately restore the JETCCFA to a maximum of 50 hours, and re-establish the WELL program.

Recommendation 3

2.78 The committee recommends that the government maintain the National Partnership agreements put in place by the previous Labor government to guarantee universal access for four year olds.

CHAPTER ONE

Terms of Reference

1.1 On 12 December 2013, the Senate referred the following matter to the Senate Education and Employment References Committee for inquiry and report by 17 June 2014:¹

- (a) cost and availability for parents over the short term, including the effectiveness of the current government rebates;
- (b) administrative burden, including the impact of the introduction of the National Quality Framework;
- (c) the current regulatory environment and the impact on children, educators and service operators;
- (d) how the childcare sector can be strengthened in the short term to boost Australia's productivity and workplace participation for parents; and
- (e) any related matters.

1.2 The order of the Senate was amended on 17 June 2014 to extend the reporting date until 15 July 2014.²

Background

1.3 Access to affordable, quality early childhood education and care (ECEC) is important to individual children, their families and the broader community. It not only helps children develop—*influencing later outcomes at school and in life—but also dictates the level of families' engagement with employment and study and ultimately has a considerable impact on national productivity.*³

1.4 Australian families have access to a range of public and private, for and not-for-profit, home-based and centre-based ECEC services. The ECEC system is based on market oriented arrangements which allow parents to choose the type of service they use based on personal considerations and preferences, including affordability.⁴

1 *Journals of the Senate*, 12 December 2013, pp 364–365.

2 *Journals of the Senate*, 17 June 2014, p. 890.

3 Department of Education, *Submission 19*, p. 1.

4 Department of Education, *Submission 19*, p. 1.

1.5 Most Australian families are involved with the sector in one way or another, as the majority of Australian children participate 'in some form of child care or early learning before entering school, or afterwards through outside school hours care.'⁵

1.6 The ECEC sector is also an industry in its own right, generating estimated revenues of over \$10 billion annually and employing some 140 000 individuals.⁶

Child care payments

1.7 Under current legislative arrangements, the Child Care Benefit (CCB) is paid to persons using 'approved' or 'registered' services, who are required to meet the standards set out in family assistance law, specifically the *A New Tax System (Family Assistance) (Administration) Act 1999* (Cth).⁷

1.8 Parents and carers can claim CCB for between 24 and 50 hours per child per week, either as a fee reduction paid directly to the provider or at the end of the financial year through the tax system. The CCB is means tested, and is payable as follows:

*Figure 1- Child Care Benefit - Amounts payable*⁸

Number of children in your care	Income limits before your payment reduces to \$0
1	\$145,642
2	\$150,914
3 or more	\$170,404 plus \$32,219 for each child after the third

1.9 Further, families can also access the Child Care Rebate (CCR), currently \$7500, to assist with additional child care costs. The CCR is not means tested.

1.10 The Department of Education (the department) advised the committee that limited CCB subsidies are also available for registered (as opposed to approved) care providers. Registered care providers are individuals who are registered with the

5 Department of Education, *Submission 19*, p. 1. According to the department's submission, the most recent data indicates that an estimated 1.2 million children attended some form of child care or education service in the June 2013 quarter.

6 Department of Education, *Submission 19*, p. 1.

7 Department of Parliamentary Services, *Bills Digest No.92, 2013–14, Family Assistance Legislation Amendment (Child Care Measures) Bill 2014*, p. 2.

8 Department of Human Services, *Child Care Benefit*, <http://www.humanservices.gov.au/customer/services/centrelink/child-care-benefit> (accessed 23 June 2014).

Department of Human Services (DHS). Families opting to use registered care receive a lower rate of CCB than families using approved care, 'as approved care providers are required to comply with Family Assistance Law quality standards and other legislative requirements.'⁹ To receive the CCB, families must use approved services that meet the requirements of one of the following categories:

Long Day Care (LDC) – a centre-based form of care. LDC services provide all-day or part-time education and care for children.

Family Day Care (FDC) – administers and supports networks of FDC educators who provide flexible care and developmental activities in their own homes, or in approved venues, for other people's children.

Outside School Hours Care (OSHC) – provides education and care before and/or after school and/or care during school vacation time. Services may also open on pupil-free days during the school term.

Occasional Care (OCC) – a centre-based form of care. Families can access OCC regularly or irregularly on a sessional basis.

In Home Care (IHC) – a flexible form of care where an approved educator provides care in the child's home. The Australian Government limits the number of approved IHC places available in the market and new IHC services can only become CCB approved if places are available for allocation.¹⁰

Productivity Commission inquiry

1.11 On 22 November 2013, the Treasurer, the Honourable Joe Hockey MP, directed the Productivity Commission to undertake an inquiry into future options for child care and early childhood learning, with a specific focus on developing a system which would address children's learning and development needs whilst supporting workforce participation. The terms of reference for the inquiry are:

1. The contribution that access to affordable, high quality child care can make to:
 - (a) increased participation in the workforce, particularly for women
 - (b) optimising children's learning and development.
2. The current and future need for child care in Australia, including consideration of the following:
 - (a) hours parents work or study, or wish to work or study
 - (b) the particular needs of rural, regional and remote parents, as well as shift workers
 - (c) accessibility of affordable care

9 Department of Education, *Submission 19*, p. 2.

10 Department of Education, *Submission 19*, pp 2–3.

- (d) types of child care available including but not limited to: long day care, family day care, in home care including nannies and au pairs, mobile care, occasional care, and outside school hours care
 - (e) the role and potential for employer provided child care
 - (f) usual hours of operation of each type of care
 - (g) the out of pocket cost of child care to families
 - (h) rebates and subsidies available for each type of care
 - (i) the capacity of the existing child care system to ensure children are transitioning from child care to school with a satisfactory level of school preparedness
 - (j) opportunities to improve connections and transitions across early childhood services (including between child care and preschool/kindergarten services)
 - (k) the needs of vulnerable or at risk children
 - (l) interactions with relevant Australian Government policies and programmes.
3. Whether there are any specific models of care that should be considered for trial or implementation in Australia, with consideration given to international models, such as the home based care model in New Zealand and models that specifically target vulnerable or at risk children and their families.
 4. Options for enhancing the choices available to Australian families as to how they receive child care support, so that this can occur in the manner most suitable to their individual family circumstances. Mechanisms to be considered include subsidies, rebates and tax deductions, to improve the accessibility, flexibility and affordability of child care for families facing diverse individual circumstances.
 5. The benefits and other impacts of regulatory changes in child care over the past decade, including the implementation of the National Quality Framework (NQF) in States and Territories, with specific consideration given to compliance costs, taking into account the Government's planned work with States and Territories to streamline the NQF.¹¹

Simultaneous inquiries

1.12 Many submitters relied in whole or in part on their submissions to the Productivity Commission when contributing to the committee's inquiry. Some organisations were unable to specifically tailor their submissions to the committee's terms of reference, and instead provided the committee with copies of their submissions to the Productivity Commission.

11 Productivity Commission, *Childcare and Early Childhood Learning*, available at <http://pc.gov.au/projects/inquiry/childcare/terms-of-reference> (accessed 23 June 2014).

1.13 It should also be noted that the committee is conducting two inquiries into aspects of Australia's child care system simultaneously.¹² Given the potential for overlap and the relevance of each inquiry to the other, the committee decided against holding separate hearings for both, opting instead for a more streamlined approach.

1.1 The committee has divided the evidence received into two reports, one focusing primarily on the National Quality Framework (NQF), and another on economic issues. Ideally the reports should be read together, and this report focuses on the economic issues facing families and communities accessing ECEC services.

Acknowledgement

1.14 The committee thanks those individuals and organisations who contributed to the inquiry by preparing written submissions and giving evidence at the hearings.

Notes on references

1.15 References in this report to the Hansard for the public hearings are to the Proof Hansard. Please note that page numbers may vary between the proof and the official transcripts.

12 *Journals of the Senate*, 12 December 2013, pp 363–365.

CHAPTER TWO

2014–15 Budget and Universal Access

Introduction

2.1 The committee received extensive evidence from submitters and witnesses about challenges to affordability and access to childcare. The committee acknowledges the overwhelming support for the National Quality Framework (NQF), outlined in chapter two of the Education and Employment References Committee's inquiry into the delivery of quality and affordable early childhood education and care services.¹

2.2 The committee's support for the NQF is detailed in that report, which backs the centrality of the NQF in raising education and care standards for families and communities accessing early childhood education and care (ECEC) services.

2.3 In this chapter the committee addresses the costs of childcare, the effectiveness of government rebates and the availability of child care. Further, this chapter also discusses the future of the National Partnership's Universal Access agreement that guaranteed four year old children access to kindergarten.

The costs of child care

2.4 The cost of child care varies across the country. Generally where vacancies are few and waiting lists long, childcare costs will be higher, and where there are clusters of centres and vacancies, costs tend to be lower. Childcare centres compete on costs, so where there are vacancies, centres will have very similar fees. The cost of childcare in the CBD and inner city suburbs of Sydney and other large capital cities tends to be high, with the Sydney market reporting daily fees in some areas of up to \$200 per day.² For many families the ability to afford quality child care hinges on financial assistance from the Commonwealth Government. There are two primary forms of assistance available to families:³

- Child Care Rebate (CCR), which is available regardless of family income and is focused on supporting workforce participation, with the rate set relative to out of pocket costs; and
- Child Care Benefit (CCB), which is targeted towards lower income earners, through means testing, and has a range of rates depending on family income and circumstances.⁴

1 *Journals of the Senate*, 17 June 2014, p. 890.

2 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 5.

3 For information on other subsidies and assistance see Department of Education, *Submission 19*, Appendix 1.

4 Department of Education, *Submission 19*, p. 4.

2.5 Although child care fees vary between states, as well as between metropolitan, regional and remote areas, costs have risen steadily across Australia in recent years.⁵ The Department of Education (the department), has stated outside of these hearings that child care is a market and the department does not intervene in the market.⁶ Although childcare fees have risen, the wages of educators are low and are of concern to the sector, as turnover of staff due to low wages is an issue for parents and caregivers.

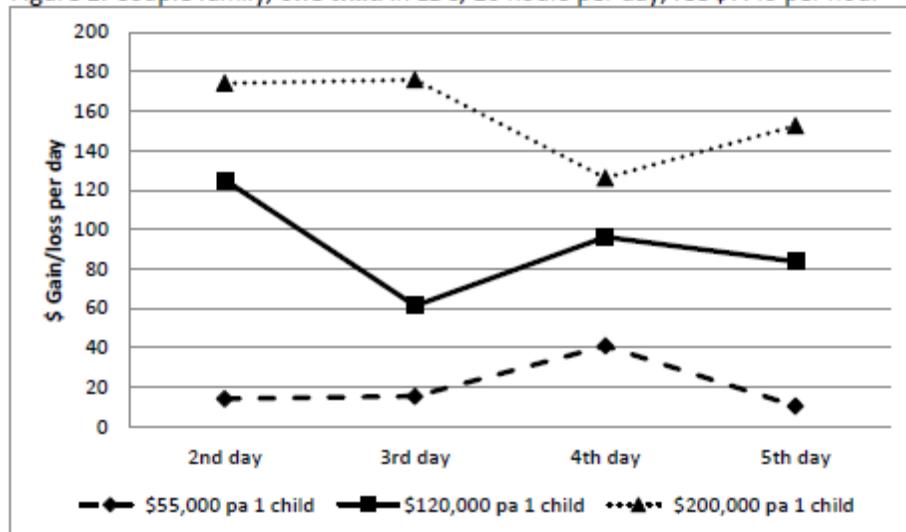
The effectiveness of government rebates

2.6 Throughout both inquiries, the committee has observed that the fee cost and government subsidy system is generally not simple to navigate. This is most aptly demonstrated by the department's submission:

The interaction between child care fee assistance, other family subsidies, taxable income and income support payments is complex, varying between different household circumstances. The gains or losses from working an additional day can affect families' disposable incomes differently, depending on their income levels, the number of children in approved early learning and care services and the fees charged.⁷

2.7 The committee received two diagrams from the department illustrating how different family circumstances affect the financial impact of secondary earners working an extra day. The first figure⁸ depicts a two-parent family with one child:

Figure 1: Couple family, one child in LDC, 10 hours per day, fee \$7.40 per hour



5 Department of Education, *Submission 19*, p. 4.

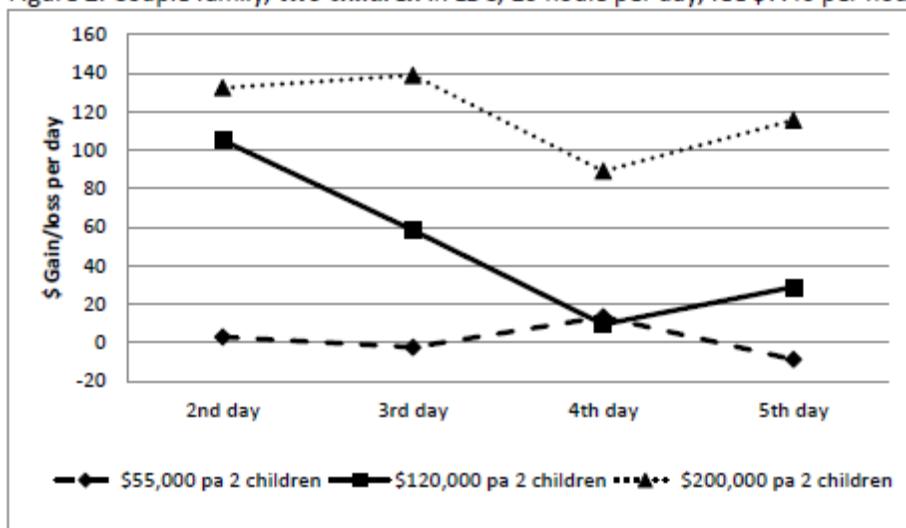
6 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, *Proof Committee Hansard*, Budget 2014-15, 4 June 2014, p. 24.

7 Department of Education, *Submission 19*, p. 5.

8 Department of Education, *Submission 19*, p. 5.

2.1 The second⁹ figure shows the impact on a two-parent family with two children:

Figure 2: Couple family, two children in LDC, 10 hours per day, fee \$7.40 per hour



2.8 These diagrams demonstrate that, to a family earning \$55 000 per year, the dollar loss by adding a fifth day is highest, with a negligible economic effect on couples earning \$120 000 or \$200 000 per year. This clearly demonstrates that lower income families are, due to the subsidy structures, significantly worse off.

Availability of child care

2.9 The committee heard from witnesses who indicated that the availability of good quality child care varied, although it also heard that the child care market has responded well to increasing demand for places for children in approved care.¹⁰ However, access to care remains difficult in some areas and the factors impeding access differ:

...access to capital (particularly for not for profit organisations), regulatory burdens arising through development and building approval processes, constraints due to zoning restrictions, and lack of available land. These barriers to entry mean that the supply of child care is likely to take a period of time to respond to increases, or decreases in demand (particularly leading to an over or under supply).¹¹

2.10 The availability of physical premises can cause difficulties in inner-city areas where providers face prohibitive land costs and limited land availability. On the other hand in regional areas, the supply of child care is mostly constrained by the availability of educators.¹²

9 Department of Education, *Submission 19*, p. 6.

10 Davidoff, I., 2007, *Evidence on the child care market*, Economic Roundup Summer 2007, Department of Treasury, Canberra, cited by: Department of Education, *Submission 19*, p. 7.

11 Department of Education, *Submission 19*, p. 7.

12 Department of Education, *Submission 19*, p. 7.

2.11 The committee notes the complexity of addressing these issues, and that they require further consideration. The committee also notes the primacy of states and territories with respect to land use planning arrangements in their jurisdictions.

2.12 Another issue raised is that of parents increasingly looking for flexible child care arrangements outside the traditional 'nine to five' working hours. In such cases, care may be available, but not in the form (i.e. long day care, occasional care) or at the times required.¹³

2.13 Early Learning Association of Australia (ELAA) noted the market driven approach had not successfully increased the supply of childcare places for families and that this can limit workforce participation.¹⁴ ELAA cited the National Centre for Social and Economic Modelling (NATSEM) report, which indicates that a lack of affordable, quality child care does prevent parents, in particular women, from working.¹⁵

2.14 The Australian Childcare Alliance (ACA) submitted that the Grattan report reinforced the economic imperative for improving access to affordable ECEC services, arguing:

Removing disincentives for women to enter the paid workforce would increase the size of the Australian Economy by about \$25 billion per year. The most important policy change is to alter access to Family Tax Benefit, and [C]hild Care Benefit and Rebate so that the second income in a family – usually, but not always, a mother – takes home more income after tax, welfare and child care costs.¹⁶

Accessibility for vulnerable and disadvantaged families

2.15 The committee considered evidence relating specifically to vulnerable and disadvantaged families' access to affordable child care.

2.16 ACA estimates that almost one quarter of Australian children may be considered vulnerable:

There are vulnerable children in all communities with 23.5 per cent of Australian children developmentally vulnerable in one or more of the five Australian Early Development Index (AEDI) domains (physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, and communication skills and general knowledge).¹⁷

13 Department of Education, *Submission 19*, p. 7.

14 ELAA, *Submission 1*, p. 7.

15 Breunig et al, 2011 as cited in ELAA, *Submission 1*, p. 7.

16 Grattan Report, as cited in ACA, *Submission 13*, p. 9.

17 Australian Childcare Alliance, *Submission 13*, p. 13.

2.17 Vulnerability can manifest permanently or for a limited time, and the committee received evidence indicating that it must be addressed so as not to turn into disadvantage, which is 'considerably more difficult to resolve'.¹⁸

2.18 ECEC services are a valuable resource in addressing vulnerability and disadvantage, but affected families do not always have adequate access and are not only from the lower socioeconomic strata:

[T]he gap is widening between the most vulnerable families and other children. But what we do know from AEDI is that if we look at the proportion of, say, low-socioeconomic families then yes, their level of vulnerability is higher, but there are kids, if you want to talk about it in absolute numbers, in the higher socioeconomic groups that are still developmentally vulnerable. So we certainly talk about a platform of proportionate universalism—that we still have universal access but with increased access for vulnerable kids.¹⁹

2.19 Although low family income is by no means the only predictor of vulnerability and disadvantage, children from low income families are proportionately at higher risk but benefit greatly from quality ECEC services. Affordability, however, remains a leading barrier for lower income families, for whom childcare costs can be prohibitively high.²⁰

Extra assistance for vulnerable families

2.20 The government provides extra financial assistance in the form of the Special Child Care Benefit (SCCB), available in situations where children are at risk of serious abuse or neglect, or when families are experiencing temporary financial hardship.²¹

2.21 It is, however, debatable whether such assistance is adequate. ACA considered the 13 week period for which assistance is available to be insufficient and suggested that it be extended.²² Noting that the gap between the most vulnerable children and others is widening in Australia, the committee sought evidence on how other, comparable countries approach child care access.

Overseas initiatives

2.22 Submitters such as the Australian Research Alliance for Children and Youth (ARACY) pointed to strengths in overseas child care systems, with notable examples being those in Canada and across Scandinavia.

18 Australian Childcare Alliance, *Submission 13*, p. 13.

19 Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 15.

20 Australian Childcare Alliance, *Submission 13*, p. 13.

21 Department of Education, *A Guide to Special Child Care Benefit*, http://docs.education.gov.au/system/files/doc/other/a_guide_to_special_child_care_benefit.pdf (accessed 24 June 2014).

22 Australian Childcare Alliance, *Submission 13*, p. 13.

2.23 The committee noted those systems are underpinned by a philosophy of universal access. In both Sweden and Norway, for example, all children are entitled to an ECEC place when they turn one and until they start school. Canada similarly prioritises access to early learning for all children.²³

2.24 The committee understands that similar entitlements exist across Organisation for Economic Co-operation and Development (OECD) countries, half of which have legislated for a child's legal right to obtain a preschool education.²⁴

Cost implications

2.25 The committee understands that access to ECEC services in the countries cited above is often increased through large government subsidies, designed to ensure that all children are captured by the system.

2.26 Fees payable by parents vary greatly. In Sweden individual families with children in the system make contributions of between one and three per cent of household income, depending on the number of children in care. In Norway, parents pay 22 to 30 per cent of the total cost of service delivery, while in Canada all parents pay a fixed low rate of \$7 per day. Canadian parents who are not in the workforce have access to 23.5 hours of free child care per week.²⁵

Committee view

2.27 The committee recognises the importance of access to quality child care, and the particular barriers lower income families face. The committee considered information on overseas models with interest, and believes this information is a valuable resource for Australian policymakers to consider. The committee believes that particular attention should be paid to ensuring that families where children are vulnerable have access to quality ECEC services in the first instance and where those children are enrolled they do not drop out of the ECEC system due to rising fee costs.

Productivity and workforce participation

2.28 Evidence indicates that Australian women spend markedly more time providing unpaid care for their children than men. The resulting difference in the workforce participation rate between men and women is 12.8 per cent.²⁶ This is a concern for the committee because it indicates that Australian women are still lagging behind men in workforce participation, and are thus being denied the same advantages of salary, career, and professional development. It appears incongruous to the committee that women should be encouraged to participate in the workforce, but not be provided with the support required to achieve a greater level of participation.

23 ARACY, *answers to questions on notice*, 22 May 2014, (received 4 June 2014) p. 2.

24 ARACY, *answers to questions on notice*, 22 May 2014, (received 4 June 2014) p. 2.

25 ARACY, *answers to questions on notice*, 22 May 2014, (received 4 June 2014) pp 2–4.

26 Department of Education, *Submission 19*, p. 12.

2.29 It is estimated that reducing the difference of 12.8 per cent by 75 per cent 'could increase Australia's projected average annual growth in Gross Domestic Product (GDP) per capita from 2 per cent to 2.4 per cent.'²⁷ The economy could grow by \$25 billion per annum if six per cent more women entered paid employment.²⁸

2.30 The committee was informed that the barriers to increasing women's workforce participation are complex, but that while that may be the case, the availability of affordable child care is certainly a factor and it undoubtedly disproportionately affects women.²⁹ The Australian Industry Group estimates that:

...as of 2011, the families of at least 300,000 Australian children were not able to participate in work or work-related study to the full extend that they desired due to lack of access to adequate and suitable childcare.³⁰

2.31 Australian Community Children's Services (ACCS) submitted it was in agreement with business groups including the Business Council of Australia and numerous economists in relation to the benefits of affordable ECEC services and workforce participation.³¹

2.32 The ACA noted the subsidies families use to access ECEC have been eroded over the past decade by consecutive governments:

This erosion has occurred through bracket creep and the freeze on the childcare rebate, together with the CPI increases on childcare benefit failing to keep pace with the ever-increasing costs of the provision of care. From budget 2014, families using ECEC will again bear erosion of subsidies.³²

2.33 The committee notes the significant economic and social advantages of providing high quality and affordable child care. The committee further notes that the market based approach to ECEC services in Australia means it is difficult or impossible for governments to intervene to control the market. If the free ECEC market continues, any government initiated rebate/reimbursement system is also going to trail fee rises. In addition, the committee notes the significant challenges to the sector through to the freezing of CCB thresholds and the freeze on CCR, and addresses these below. The committee expresses its very strong concern about these changes and notes that whilst the government has now imposed limits on CCB and CCR, it has done nothing to limit fee increases. Through these budget moves, the government has certainly increased affordability pressures on families, particularly low income families.

27 Department of Education, *Submission 19*, p. 12.

28 Department of Education, *Submission 19*, p. 12.

29 Department of Education, *Submission 19*, pp 12–13. See also Australian Industry Group, *Submission 17*, p. 3.

30 Australian Industry Group, *Submission 17*, pp 3–4.

31 Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 6.

32 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 32.

2014–15 Budget and consequences for affordability

Changes to the Child Care Benefit and Child Care Rebate

2.34 Numerous changes were announced to child care payments as part of the 2014–15 Budget. These changes include maintaining the CCR limit freeze for a further three income years from 1 July 2014 and introducing a new freeze to the CCB income thresholds for three income years from 1 July 2014. Submitters agree that low income families are likely to reduce their use of ECEC services because they simply cannot afford the increase in fees given the changed application of the CCB.³³

2.35 Numerous submitters, such as the ELAA and ACA, argued that the continuation of the CCR freeze and the introduction of a freeze for three years on the CCB would have a negative effect on affordability of quality ECEC services.³⁴

2.36 ELAA argued that assistance provided to parents under the CCB and CCR is ultimately designed to facilitate parents' participation in the workforce and support children's social and intellectual development, and that these benefits are particularly valuable for children from economically or socially disadvantaged backgrounds.³⁵

2.37 The department detailed the effect of maintaining the freeze on the CCR on a significant numbers of families over the forward estimates, noting that an estimated 74 000 families will reach the \$7500 cap in 2014–15.³⁶ Further, an additional 93 000 and 114 000 families will reach (and exceed) the cap in 2015–16 and 2016–16 respectively.³⁷

33 Family Assistance Legislation Amendment (Child Care Measures) Bill 2014, *Explanatory Memorandum*, p. 2.

34 ELAA, *Submission 1*, p. 16; ACA, *Submission 13*, p. 9.

35 ELAA, *Submission 1*, p. 16.

36 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 7.

37 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 7.

2.38 The department also provided the following table³⁸ detailing the numbers of families accessing the CCB and CCR in Australia in the September quarter of 2013:

Table 1: The number of families receiving Child Care Benefit (CCB) and Child Care Rebate (CCR), September quarter 2013

Family Income (\$)	Number of families receiving CCB	Number of families receiving CCR
0 to 50,000	207,530	197,100
Greater than 50,000 to 100,000	179,660	180,030
Greater than 100,000 to 150,000	130,240	196,250
Greater than 150,000 to 200,000	10,420	81,280
Greater than 200,000	1,190	38,710
Not known	6,400	13,480
Total	535,440	706,850

Source: Department of Education administrative data

Note 1: Data based on families estimated incomes provided to Department of Human Services.

Note 2: In the September quarter 2013, there were 773,070 families that used CCB approved child care services. Figures do not sum to 773,070 as families' receipt of CCB/CCR depends on their individual circumstances.

2.39 The ACA criticised the changes to the CCB and CCR, noting that \$230 million would be taken from parents over the full four year period.³⁹

Jobs and Education Training Child Care Fee Assistance (JETCCFA)

2.40 Under current legislative arrangements, parents and carers who are undertaking job search, work, study, training or undertaking rehabilitation to enter or re-enter the workforce may be eligible for access to the Jobs and Education Training Child Care Fee Assistance (JETCCFA). It was revealed at Budget Estimates that 32 000 individuals accessed JETCCFA in 2012–13.⁴⁰

2.41 The Department of Human Services' website states:

JET Child Care Fee Assistance can help meet the cost of child care while you are doing your approved activity by paying some of the 'gap fee'. The 'gap fee' is the difference between the amounts you are charged and the amount you get for Child Care Benefit. You will need to make a small parental co-contribution of \$1.00 per hour per child to your service. If you are participating in the Helping Young Parents or Supporting Jobless

38 Department of Education, *answers to questions on notice*, 22 May 2014, (received 12 June 2014), p. 5.

39 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 33.

40 Education and Employment Legislation Committee, 2014-15 Budget Estimates, *Proof Committee Hansard*, 4 June 2014, p. 20.

Families initiatives or are a teenage parent attending secondary education you will pay a parental co-contribution of \$0.10 per child per hour of care.⁴¹

2.42 The committee received evidence relating to changes, as part of the 2014–15 Budget announced to JETCCFA. The proposed changes would lower the quantum of hours available for parents undertaking training as part of an Employment Pathway Plan.⁴² Changes to the JETCCFA scheme would also reduce the weekly limit for child care fee assistance from 50 hours to 36 hours.⁴³

2.43 Goodstart Early Learning conveyed their concerns with the changes to JETCCFA scheme, noting they had several thousand parents accessing JETCCFA who used their services, arguing the lower limit would effectively result in single mothers not being able to continue full time tertiary education.⁴⁴

2.44 Mr John Cherry, Advocacy Manager at Goodstart Early Learning, noted:

..it would have an impact on those women who were studying full time, and we are concerned about that because it is reducing another option for them. For us, the important part about childcare provision should be providing people with as many options as possible. Every cap and restriction removes an option for more people and reduces flexibility for what they can do with their time.⁴⁵

2.45 Early Childhood Australia also detailed their concerns with the proposed JETCCFA limits, noting that because most long day care centres charge on a sessional basis, a centre operating 12 hours a day would use 36 hours over three full days, which would not necessarily match the time required for full time study.⁴⁶

41 Department of Human Services, *JET Child Care Fee Assistance*, <http://www.humanservices.gov.au/customer/enablers/centrelink/jobs-education-and-training-child-care-fee-assistance/fee-assistance> (accessed 24 June 2014).

42 Department of Human Services, *JET Child Care Fee Assistance*, <http://www.humanservices.gov.au/customer/services/centrelink/jobs-education-and-training-child-care-fee-assistance> (accessed 20 June 2014).

43 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 4.

44 Mr John Cherry, Advocacy Manager, Goodstart Early Learning, *Proof Committee Hansard*, 22 May 2014, p. 34.

45 Mr John Cherry, Advocacy Manager, Goodstart Early Learning, *Proof Committee Hansard*, 22 May 2014, p. 37.

46 Ms Samantha Page, Chief Executive Officer, Early Childhood Australia, *Proof Committee Hansard*, 22 May 2014, p. 53.

Community Support Program

2.46 The committee heard evidence relating to changes announced by the Assistant Minister for Education, the Honourable Sussan Ley MP, cutting funding available to Family Day Care services, affecting 24 000 educators and 750 approved services. The announcement by the government will result in a loss of more than \$157 million to those services after 1 July 2015.⁴⁷

2.47 Family Day Care Australia (FDCA) noted that while it was originally announced as only effecting new services, it was later expanded to all existing and new services, to take effect from 1 July 2015. FDCA noted:

These changes will see family day care lose more than \$157 million in funding. Services will be left with little or no choice but to pass on this loss of revenue to families in the form of increased fees or, worse, even close their doors. It is quite a savage thing for us.⁴⁸

2.48 FDCA argued the cuts to the Community Support Program (CSP) would be 'catastrophic'⁴⁹, with many services receiving up to 50 per cent of their operational funding from the CSP. FDCA argued the loss of funding will mean that services are forced to pass significant cost increases (through higher fees) onto families. This could result in lower quality overall, as some services would not increase costs in order to maintain a competitive advantage:

One of the concerns that I have is that you could see a service where the quality outcomes are a focus and they will increase their fee, and a neighbouring service may choose not to increase their fee but reduce the quality that they deliver, and educators and families will move to a service that does not increase fees, so the quality outcomes that happen for children lessen and eventually the value of family day care is lost and families end up choosing not to use it. Why would they if the quality that their child experiences is less than they can find elsewhere?⁵⁰

2.49 Rural and regional services will be especially disadvantaged by cuts to the CSP, with FDCA noting that in communities like Cooktown in Far North Queensland, family day care is the only viable child care option available to families.⁵¹ Further, the loss of CSP funding will mean those parents, who are doctors, nurses and police

47 Ms Carla Northam, Chief Executive Officer, Family Day Care Australia, *Proof Committee Hansard*, 23 May 2014, p. 26.

48 Ms Carla Northam, Chief Executive Officer, Family Day Care Australia, *Proof Committee Hansard*, 23 May 2014, p. 26.

49 Ms Carla Northam, Chief Executive Officer, Family Day Care Australia, *Proof Committee Hansard*, 23 May 2014, p. 26.

50 Ms Peta McNellie, Chief Executive Officer, Family Day Care Australia, *Proof Committee Hansard*, 23 May 2014, p. 28.

51 Ms Peta McNellie, Chief Executive Officer, Family Day Care Australia, *Proof Committee Hansard*, 23 May 2014, p. 28.

officers working shift hours, will face significant challenges in accessing appropriate care.⁵²

2.50 FDCA noted that they, like other providers, were subject to the NQF, but would no longer be receiving any assistance for implementation, due to the cessation of funding to the Early Years Quality Fund (EYQF).

2.51 The department argued that the changes to the CSP did not result in outlays, but was an attempt to tighten guidelines to 'make sure program[s] live within [their] allocations.'⁵³

Committee view

2.52 The committee is not persuaded that the cuts announced will make sure the CSP lives within its allocations, and believes they represent an ill-conceived budgetary measure designed to maximise savings at the expense of quality family day care services. The committee accepts the evidence presented that the CSP is an important funding stream that supports critical ECEC services, especially to families living in regional and rural Australia, or families whose parents are involved in shift work.

2.53 The committee is particularly concerned with the evidence presented that families from low socio-economic backgrounds will be especially vulnerable to price increases resulting in the decision to remove \$157 million from the CSP.

Workplace English Language and Literacy

2.54 The committee received evidence that the Workplace English Language and Literacy (WELL) program was set up to support the numeracy and literacy needs of employees. Mr Rod Cooke, CEO of the Community Services and Health Industry Skills Council, noted that one of the major 'blights' on the national economy was that up to two thirds of workers do not have appropriate literacy skills for their profession. WELL provided a pathway for employers to obtain financial assistance for improving the literacy of their employees:

It was a valuable adjunct tool to support that. It was only limited in funding, unfortunately, and could not meet all of the demand that was out there. As the funding occurred, we funded a broker to go around and work with employers. We were only brokered to do 20 or 30 applications year. We had a queue of 480 applications when the project was closed. We just could not get funding for that. So the demand far outstripped the funding available, but it was disappointing that the limited funding that had been available has been closed.⁵⁴

53 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 1.

54 Mr Rod Cooke, Chief Executive Officer, Community Services and Health Industry Skills Council, *Proof Committee Hansard*, 23 May 2014, p. 53.

Committee view

2.55 The committee is greatly concerned by the changes to JETCCFA, the CSP and the apparent abolition of the WELL scheme. The committee believes that there are significant economic and social benefits to providing parents and carers with pathways to further education. This is critical because they have a significant and positive impact on workforce participation and economic growth by encouraging gainful employment, and less reliance on government assistance. The committee agrees that the benefits of these programs outweigh the costs, and does not support the removal of programs designed to increase job opportunities for working families.

2.56 The committee is persuaded by evidence suggesting that the CCB and CCR are vital to ensure the affordability of quality ECEC services in Australia. The committee believes the changes to the child care and education assistance in the budget are unfair because they disproportionately affect middle and low income families, especially in rural and regional areas, who have a genuine need for financial assistance.

Recommendation 1

2.57 The committee recommends that the government rescind its proposed budget changes to ECEC funding, particularly in relation to CCB.

Recommendation 2

2.58 The committee recommends that the government act to immediately restore the JETCCFA to a maximum of 50 hours, and re-establish the WELL program.

Universal Access funding commitments

2.59 On 19 April 2013 the Council of Australian Governments (COAG) endorsed the National Partnership Agreement on Universal Access (UA) to Early Childhood Education.⁵⁵ The goal of the agreement was to:

...maintain universal access to quality early childhood education programme(s) to the end of 2014, with a focus on improved participation by vulnerable and disadvantaged children.⁵⁶

2.60 The agreement also resulted in a significant financial commitment by the Commonwealth Government of \$660.1 million over 18 months to 31 December 2014.⁵⁷

55 Department of Education, *National Partnership Agreement on Universal Access to Early Childhood Education*, <http://education.gov.au/national-partnership-agreement-universal-access-early-childhood-education> (accessed 24 June 2014).

56 Department of Education, *National Partnership Agreement on Universal Access to Early Childhood Education*, <http://education.gov.au/national-partnership-agreement-universal-access-early-childhood-education> (accessed 24 June 2014).

57 Department of Education, *National Partnership Agreement on Universal Access to Early Childhood Education*, <http://education.gov.au/national-partnership-agreement-universal-access-early-childhood-education> (accessed 24 June 2014).

2.61 The committee heard evidence relating to the proposed changes to the universal access agreement. Changes yet to be formally announced could see a significant reduction in funded hours by the Commonwealth Government.

2.62 ACCS argued that the lack of information on the future of the UA agreement is causing uncertainty for many stakeholders because service providers were unable to plan for enrolments over the coming years. In addition, state governments have indicated they are unable to match the funding commitments previously agreed to under the then National Partnership:

We know there was a huge amount of angst across the sector because people were planning for next year and enrolling for next year. But they have breathing space now for 12 months at least. We had the state government saying they were not prepared to put the money in. We have parents and centres that have now done all sorts of things because of those extra hours. I think parents will be very, very cross if that money is not continued. It has enabled parents to use kindergarten as part of a childcare mix because the days are longer and so they can have two days at kindergarten and a day with grandma, whereas that has not been the case in the past with kindergartens being so traditionally sessional. So it has added to the childcare availability.⁵⁸

2.63 Baw Baw Shire Council added their significant concerns to those of other submitters and witnesses, who submitted the possible reduction from 15 hours to ten is especially troubling in light of the value of investing in ECEC, as well as the negative impact of the reduction on workforce participation.⁵⁹ They argued that the interim period between the cessation of Commonwealth funding and a new agreement was having a significant negative impact on communities and families:

One of our concerns is the time frame that all this is going through. We have had some indication that there may be a 12-month review period, which is fine, and that we can go ahead with next year. We are already doing our enrolments for kinder right now, so we have enrolled them in 15-hour programs. If that changes between now and next year, the implications are massive.⁶⁰

2.64 ELAA raised concerns with respect to the UA agreement. ELAA submitted the Commonwealth would withdraw from the UA funding arrangement, with ten hours to be solely funded by the states.⁶¹ This is particularly difficult given the

58 Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 13.

59 Ms Belinda Forester, Manager Human Services, Baw Baw Shire Council, *Proof Committee Hansard*, 21 May 2014, p. 16.

60 Ms Leonie Martens, Coordinator, Family and Children's Services, Baw Baw Shire Council, *Proof Committee Hansard*, 21 May 2014, p. 16.

61 Mr Shane Lucas, Chief Executive Officer, Early Learning Association of Australia, *Proof Committee Hansard*, 21 May 2014, p. 24.

significant investments made by some centres based on the expected continuation of UA funding:

This morning I have been at a launch of Box Hill North Primary School kindergarten's refurbished facility. The kindergarten teacher there was saying that their school has had a kindergarten for 18 years, so it has had a smoother transition process because of the proximity of the primary school and the relationship between the two. In the three years they have been delivering 15 hours, the benefits for the children in her care are significant. So we certainly would not want to do anything other than prioritise the impact on children, which we believe would be terrible.

As for the impact on the work force, some of our members have estimated that a combination of redundancies and reduced hours for staff would mean towards 30 per cent of their existing work force would be impacted in some form or other, again depending on the size. Again, at Boxhill North Primary School this morning—a reasonably affluent community—the kindergarten teacher told me that they have had an active conversation around the committee of management. If that occurs, they will go to the parents and see whether the parents are prepared and can afford to pay that five-hour gap, and that will be upwards of a 70 per cent increase on their parent fees.⁶²

2.65 Further, ELAA noted that it was often forgotten that one of the reasons for the UA agreement was to ensure:

...that people from disadvantaged communities, children with disabilities and developmental delays, would be receiving funding for that 15 hours of early learning and additionally getting some inclusion support...⁶³

2.66 ACA noted that UA funding had previously assisted many children to access 15 hours of a preschool-kindergarten program and has been beneficial. ACA noted that even under the existing UA arrangement:

Attending an ECEC service has become almost impossible for children of families living in low socioeconomic circumstances and/or with a disadvantage as the costs have risen over the past years.⁶⁴

2.67 Boroondara Council noted that the introduction of UA had been challenging for some service providers in the area, who were required to make staffing, timetabling and other administrative changes to implement the 15 hour requirement. Boroondara's recent consultation revealed that many stakeholders are concerned with the possible removal of Commonwealth support, returning to a ten hour model. They noted:

62 Mr Shane Lucas, Chief Executive Officer, Early Learning Association of Australia, *Proof Committee Hansard*, 21 May 2014, p. 24.

63 Mr Shane Lucas, Chief Executive Officer, Early Learning Association of Australia, *Proof Committee Hansard*, 21 May 2014, p. 28.

64 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 32.

Some services have asked the question: 'What do we do?' Some have indicated that they would continue to offer 15 hours but, if the extra five hours is not funded, then that increased cost will be forced onto parents. Other kindergartens are saying: 'We won't be able to do that. That is untenable, so we will reduce our service back to 10 hours.' But then that has significant implications on their staffing arrangements.⁶⁵

2.68 The AEU also restated its concerns about the future of UA, noting the changes in the budget that did not include a line item for provision of the universal access guarantee, and appeared to confirm suspicions of some stakeholders that the Commonwealth is planning to reduce its financial involvement with an expectation that the states should make up the difference:

It would appear to us that the Victorian government may inadvertently have let the cat out of the bag with references to the fact that without such Commonwealth provision of funding they would return to 10 hours for children. We believe the overwhelming impact of that on the sector would have dire consequences in terms of staffing and in terms of access for our children to education.⁶⁶

2.69 The AEU also argued that the loss of funding would have a very negative impact on families accessing ECEC services. They argued there would be significant flow on effects for the economy, including negative effects on workforce participation, access to higher education for parents, and educator job losses.⁶⁷ The AEU also criticised the suggestion that the difficulty in obtaining adequately qualified staff justified cutting the UA arrangements:

While with the universal access policy there has been some challenge in meeting the supply issue for qualified early childhood teachers, our view is that that does not warrant setting aside that objective and cutting the services on that basis, but it will in fact result in an ongoing problem around supply because here in Victoria our industrial arrangements would mean that many of the positions would become 30-hour positions on the basis of non-teaching time to teaching time.⁶⁸

2.70 The department explained that the government is currently undertaking reviews on many aspects of Commonwealth funding for ECEC services, including a review into the UA agreement. The department noted the Commonwealth provided \$1.6 billion into the national partnership, composed of two agreements, with the

65 Ms Jacinta Barnes, Senior Coordinator Family Services Development, City of Boroondara, *Proof Committee Hansard*, 21 May 2014, p. 42.

66 Ms Shayne Quinn, Representative on AEU National Early Childhood Education Committee, Australian Education Union, *Proof Committee Hansard*, 21 May 2014, p. 56.

67 Ms Shayne Quinn, Representative on AEU National Early Childhood Education Committee, Australian Education Union, *Proof Committee Hansard*, 21 May 2014, p. 56.

68 Ms Shayne Quinn, Representative on AEU National Early Childhood Education Committee, Australian Education Union, *Proof Committee Hansard*, 21 May 2014, p. 56.

review report expected to be provided to ministers in June.⁶⁹ The department also explained that there was significant research detailing the advantages of having between ten and 15 hours access, especially given the significant advantages for children.⁷⁰

2.71 Representatives of the Australian Research Alliance for Children and Youth (ARACY) were particularly supportive of UA, arguing it was at the core of their beliefs as an organisation.⁷¹ They noted:

It benefits early learning and development, not just in its service to assist participation. We are calling for a fundamental shift in the way that we talk about and perceive early childhood education in Australia to emphasise the central role that quality early childhood education plays in children's development and wellbeing, not just in the participation of their parents in the workforce.⁷²

2.72 ARACY explained that Australia had moved to 15 hours based on research, primarily from the United Kingdom in the original National Partnership Agreement.⁷³ Further, ARACY undertook to provide additional detail relating to the recently implemented increase in the UK's UA agreement, from 15 to 25 hours. In answers to *questions on notice*, ARACY noted:

A Melbourne Institute (Houng, Jeon, & Kalb, 2011) study on the effects of childcare on child development found that after 24 hours per week, there may be diminishing returns. The researchers noted that, regardless of type of childcare, children who received medium levels of childcare per week (defined as between 8 and 24 hours) have better learning outcomes than children with either lower (less than 8 hours) or greater (over 24 hours). However, they found that, regarding learning outcomes, all and any childcare use is better than no early education use at all.⁷⁴

2.73 ARACY were clear in their advocacy for an increase in access to high quality ECEC and pre-school services, noting that UA overseas often means access for three year olds to preschool:⁷⁵

69 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 2.

70 Ms Jo Caldwell, Group Manager, Early Childhood Strategy Group, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 9.

71 Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 13.

72 Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 13.

73 Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 14.

74 ARACY, *answers to questions on notice*, p. 1.

75 Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 14.

In terms of child development and brain development, that would have more impact than increasing the hours at four years. Indeed, many countries now offer access for vulnerable kids to two-year-old preschool, so giving that access to those vulnerable families who are perhaps not participating in good-quality child care or not accessing any at all because they are not participating and therefore are not accessing child care. In an ideal world, we would have universal access to preschool much earlier, and we would certainly make that the call before we looked to extending hours for four-year-olds.⁷⁶

2.74 In response to criticism of the expense of investment in UA, ARACY noted the *Chicago Child-Parent Centres* study that found a ten-to-one return on investment in preschool for disadvantaged students.⁷⁷ The same study estimated that the economic payoff for preschool over 40 years is \$17 for every \$1 spent.⁷⁸

2.75 The IEUA also supported current UA arrangements, arguing in evidence presented to the committee that:

...the continuation of federal funding for universal access. This national partnership provided funding to states so that the program of early childhood education could be provided by a qualified early childhood teacher. It was central in breaking the dichotomy between education and day of care. It would help to provide greater access to early childhood education. We would argue that we should be continuing to focus on universal access. We are aware that there is a review. We are aware that there is some contingency funding in the budget for a further year extension, but we would call for a need for a stronger and longer commitment to support universal access.⁷⁹

2.76 Goodstart Early Learning explained they had not received clear information from the government relating to the future of the UA agreement, noting that no dollar amount had been provided for the continuation of Commonwealth funding of the UA past 31 December 2014.⁸⁰

Committee view

2.77 The committee notes the overwhelming support for UA in Australia, and agrees that it should continue as currently funded to provide certainty to families and services.

76 Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 14.

77 Ms Anne Waddoups, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 15.

78 Ms Amarylise Bessey, Senior Research Manager, Australian Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 15.

79 Ms Christine Cooper, Assistant Federal Secretary, Independent Education Union of Australia, *Proof Committee Hansard*, 22 May 2014, p. 22.

80 Mr John Cherry, Advocacy Manager, Goodstart Early Learning, *Proof Committee Hansard*, 22 May 2014, p. 41.

The committee is persuaded by evidence supporting a 15 hour minimum universal access for four year olds, noting the increase to 25 hours in the UK. The committee agrees that the long term social and economic benefits of universal access are clear, and should remain a priority for the government.

Recommendation 3

2.78 The committee recommends that the government maintain the National Partnership agreements put in place by the previous Labor government to guarantee universal access for four year olds.

**Senator Sue Lines
Chair, References**

COALITION SENATORS' DISSENTING REPORT

Background to the inquiry

1.1 The issues of access to high quality and affordable child care are of serious concern to all members of the Australian community. It requires a holistic thorough inquiry, at arm's length from government, to facilitate significant long term recommendations to ensure meaningful and significant reform. This would provide greater benefit to the early childhood education and care (ECEC) sector, families and the wider community.

1.2 The Productivity Commission (PC) inquiry is the first time an ECEC sector-wide review has been undertaken, and will provide a holistic view of the challenges facing the sector. Coalition senators are confident the PC inquiry will result in significant long term recommendations and eagerly await the final report.

1.3 Senate committees are not political footballs. They have scarce resources that should be employed to produce substantial, high quality reports based on extensive and comprehensive evidence gathering. Senate reports should be reputable, with high quality reference material that everyone in the policy arena can access with confidence.

2014–15 Budget and Universal Access

1.4 Coalition senators note the statements made by the Honourable Sussan Ley MP, Assistant Minister for Education, in the House of Representatives:

When you consider that childcare fees skyrocketed 53 per cent under Labor and out-of-pocket costs increased by up to 40 per cent for families in Labor's last four years, it is abundantly clear that the current situation is unsustainable for families and for government, making it critically important that we shape new policy for the next generation.¹

1.5 Coalition senators note the ECEC system must be economically sustainable for families, service providers and the government and must aim to support child care needs in order to support workforce participation (particularly that of women) as well as the care and early learning needs of children.

1 The Honourable Sussan Ley, Assistant Minister for Education, *House of Representatives Hansard*, Wednesday 25 June 2014, p. 12.

1.6 Many witnesses noted the benefits of UA were clear to both service providers and families. Ms Martens an ECEC provider, stated:

I think we are seeing benefit. Obviously it is hard to measure individual outcomes for families, but benefits for families in terms of being able to go back into the workforce, if that is something they are wanting to do. It is another option, to be able to attend a sessional kinder for their children rather than only having the day care option.²

1.7 Given the rapid increase in fees and government outlays and ongoing issues of access and affordability, it is clear a holistic review of the entire system, with a view to sustainability, is required. This would encourage workforce participation and the development of new policy settings that meet the needs of the modern workforce. This is a preferable approach, unlike 'tinkering at the edges', which results in increasingly complex arrangements for families and service providers, and adds to overall costs.

1.8 Australian Research Alliance for Children and Youth expressed its support for Australia taking a more holistic approach to childcare, through the provision of universal access (UA):

We know from all the research that the earlier you catch developmental delays or issues, the better it is for the outcomes for that family and for that child. I think that sort of holistic approach assumes that such problems and issues are going to be caught early, which will then lighten the load.³

1.9 Further, evidence was received that argued the ECEC sector needs to be encouraged to offer flexibility to meet the modern workplace of the twenty first century, as opposed to the 9am – 5pm routine of last century. The sector needs to recognise the role of weekend and shift work for the modern Australian workforce, and adapt accordingly. Australian Community Children's Services noted that flexible child care arrangements were available, but only in limited areas due to costs of providing services. They argued:

There have been centres in Victoria...that have tried 24-hour care and education. But they have not lasted long; the costs have been too high because of salary costs. They have ended up cutting back to maybe a 10 pm finish or something like that.⁴

1.10 This also includes adaptation of early education and care models to suit the different needs of families, including Family Day Care, Long Day Care, Outside School Hours Care and in-home care.

Outside of our hours of operation, there would be unmet demand—people who might need day care outside of eight to five, Monday to Friday...

2 Ms Leonie Kate Martens, Family and Children's Services, Baw Baw Shire Council, *Proof Committee Hansard*, 21 May 2014, p. 18.

3 Ms Anne Waddoups, Senior Research Manager, Australia Research Alliance for Children and Youth, *Proof Committee Hansard*, 22 May 2014, p. 17.

4 Dr Anne Kennedy, National Secretary, Australian Community Children's Services, *Proof Committee Hansard*, 21 May 2014, p. 10.

There are also people who might work casually and want to get casual hours but, because they do not have enough to get a full position, they miss out.⁵

1.11 This is further evidence of the gap of service provision in the ECEC sector. It demonstrates the current difficulties faced by parents and carers who are endeavouring to return to the workforce.

1.12 Coalition Senators are confident that the PC inquiry will address these concerns in its final report, and provide significant recommendations to address the shortage of appropriate child care services in these circumstances.

Child Care Assistance

1.13 Coalition senators recognise that the child care assistance payments system is overly complex and could be simplified for the benefit of both parents and child care services.

1.14 Coalition senators note the government's increased overall investment in both the Child Care Benefit (CCB) and Child Care Rebate (CCR) to \$28.5 billion over four years from the 2014–15 Budget.⁶ While this is a significant contribution, it is important to recognise the government's awareness of the rapid growth in child care outlays, and the need to ensure a sustainable system for the future.⁷

1.15 The government is committed to maintaining CCB eligibility thresholds for three years, saving \$230 million over years.⁸ Further, the \$7500 annual cap on the CCR will be maintained for an additional three years starting 1 July 2014, a saving of \$105.8 million over three years.⁹

Jobs and Education Training Child Care Fee Assistance (JETCCFA)

1.16 The JETCCFA programme currently has no limits to what parents on income support payments can claim for their child care leaving it open for abuse. Given this cost is covered by taxpayers; Coalition senators see opportunity for greater accountability and targeting of taxpayer funds.

5 Ms Rebecca Ryan, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS), *Proof Committee Hansard*, 22 May 2014, p. 29.

6 The Honourable Sussan Ley MP, Assistant Minister for Education, *House of Representatives Hansard*, Wednesday 25 June 2014, p. 12.

7 The Honourable Sussan Ley MP, Assistant Minister for Education, *Labor rewrites their tattered child care legacy*, <http://sussanley.com/labor-rewrites-their-tattered-child-care-legacy/> (accessed 8 July 2014).

8 The Honourable Sussan Ley MP, Assistant Minister for Education, *House of Representatives Hansard*, Wednesday 25 June 2014, p. 12.

9 Ms Pearce Ms Margaret Pearce, Group Manager, Early Childhood Education and Care, Early Childhood Care Support, Senate Education and Employment Committee 2014–15 Budget Estimates, *Proof Committee Hansard*, 4 June 2014, p. 41.

1.17 The proposed changes to JETCCFA will commence from 1 January 2015, including a maximum \$8 hourly cap for JETCCFA payments (after the CCB) and a 36 hour weekly limit per child for JETCCFA payments to recipients undertaking study.¹⁰

1.18 Given that average JETCCFA child care hours used by families is 24 hours per week,¹¹ the 36 hours allowed for parents accessing JETCCFA is more than sufficient. Coalition senators believed this approach is fair, sensible and sustainable and therefore meets community expectation.

Community Support Program

1.19 Coalition senators note the intent of the Community Support Program (CSP Scheme) to provide additional financial assistance to services in areas where they would otherwise be economically unviable. The Auditor-General noted the CSP scheme as aiming to focus support in areas where the market would otherwise be unviable:

In 2011-12, under the CSP, DEEWR [the former Department of Education, Employment and Workplace Relations] provided a total of \$104 million to help providers establish and/or operate over 1700 formal child care services. The child care service providers interviewed by the ANAO emphasised the importance of CSP funding to their ongoing provision of quality child care services to communities.¹²

1.20 The Auditor General was extremely critical of the delivery of the CSP to service providers, noting the Department of Education (department) had not evaluated the effectiveness of the program's design in improving access to child care since it assumed the program in 2007.¹³

1.21 The report noted:

In this context, the majority of CSP funding to formal child care for 2011-12 (approximately 71 per cent) was allocated to support the sustainability of one type of child care—[Family Day Care], which accounts for approximately 10 per cent of all children in formal care. In contrast, 21 per cent of CSP funding was allocated to the two main types of care – [Long

10 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 4.

11 Ms Lisa Paul AO PSM, Secretary, Department of Education, Senate Education and Employment Committee 2014–15 Budget Estimates, *Proof Committee Hansard*, 4 June 2014, p. 48.

12 Australian National Audit Office, *Improving Access to Child Care—the Community Support Program*: Department of Education, Employment and Workplace Relations, Performance Audit Report No. 7 2012–13, p. 15.

13 Australian National Audit Office, *Improving Access to Child Care—the Community Support Program*: Department of Education, Employment and Workplace Relations, Performance Audit Report No. 7 2012–13, p. 15.

Day Care and Outside School Hours Care], which account for approximately 90 per cent of all children in formal care.¹⁴

1.22 Coalition senators support the government's policy to strengthen the accountability of the CSP scheme, and to ensure that it continues in a fair, sustainable and transparent manner.

National Partnership agreement on Universal Access

1.23 The National Partnership agreement, agreed between the previous government and all states and territories, provides further funding for universal access for four year olds until 31 December 2014.¹⁵ One requirement for the National Partnership (NP) was for a review to be completed by 30 June 2014 to enable a decision regarding the NP's future before the end of 2014.¹⁶

1.24 The purpose of the NP review is to assess the degree to which the original objectives, outcomes and outputs of the NP have been achieved.¹⁷ This review is currently underway, and Coalition senators are confident that a decision with respect to the NP will be made with reference to the best outcome for Australian children and their families.

1.25 The department provided evidence that detailed the purpose of the review was to determine the UA agreement's efficiency and effectiveness. Given the agreement related to the expenditure of \$1.6 billion of Commonwealth money:¹⁸

The purpose of the review is to look at the whole thing, not just the last \$650 million over the last 18 months but back over the whole thing. It will also identify what have been effective models of service delivery and what have been the pros and cons of different service delivery models. It is the first significant assessment of the investments in universal access.¹⁹

14 Australian National Audit Office, *Improving Access to Child Care—the Community Support Program*: Department of Education, Employment and Workplace Relations, Performance Audit Report No. 7 2012–13, p. 15.

15 Department of Education, *National Partnership Agreement on Universal Access to Early Childhood Education*, <http://education.gov.au/national-partnership-agreement-universal-access-early-childhood-education> (accessed 8 July 2014).

16 Department of Education, *National Partnership Agreement on Universal Access to Early Childhood Education*, <http://education.gov.au/national-partnership-agreement-universal-access-early-childhood-education> (accessed 8 July 2014).

17 Department of Education, *National Partnership Agreement on Universal Access to Early Childhood Education*, <http://education.gov.au/national-partnership-agreement-universal-access-early-childhood-education> (accessed 8 July 2014).

18 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 4.

19 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 4.

1.26 Further, Coalition senators also note the allocation in the contingency reserve of funding to extend the UA agreement beyond 31 December 2014.²⁰ The department submitted:

The process for consideration of future government commitments is subject to the review—and the minister has made that very clear. The [not for publication] in the budget papers basically says that it is subject to the outcome of the review and the negotiations that will need to take place.²¹

1.27 Coalition senators note there was no commitment by the previous government to fund the NP from 31 December 2014, and find imputations of the future of the UA agreement by other senators to be misleading and unhelpful.

1.28 Coalition senators agree that the UA agreement should be reviewed, and note the review was promised by the previous Labor government as part of the implementation of the agreement. Further, Coalition senators find it unhelpful to impugn the review, especially given the importance of funding UA in a sustainable and appropriate budgetary framework.

Conclusion

1.29 Coalition senators thank all witnesses and submitters to both ECEC inquiries. As detailed above, the Coalition remains committed to ensuring, through the rigorous and independent inquiry being undertaken by the Productivity Commission, for significant and meaningful reform of the ECEC sector.

1.30 Coalition senators suggest that no further action should be taken with respect to the NQF and UA agreement until the reports of the Productivity Commission have been finalised and released for discussion.

Senator Bridget McKenzie
Deputy Chair, References

20 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 8.

21 Ms Jackie Wilson, Deputy Secretary, Early Childhood Education and Care, Department of Education, *Proof Committee Hansard*, 22 May 2014, pp 7–8.

AUSTRALIAN GREENS ADDITIONAL COMMENTS

1.1 The Australian Greens believe early childhood education and care should be valued and invested in as part of lifelong learning process that starts at birth. Childcare is an essential service and should be funded as such by the government. For the first time Australia has a national focus on the importance of quality education and care for children, in the form of the National Quality Framework.

1.2 The Greens strongly support the National Quality Framework (NQF) and its continued rollout across the country. The early education and care sector has made substantial progress in improving the quality of education and care provided since the rollout of the NQF. Any attempt by the current government to roll back the NQF would have a detrimental effect on children's educational outcomes.

1.3 It is clear from this inquiry that there has been a failure to match the achievements of the quality standards with major investment in the sector. The unaffordability of care has significant implications on family budgets, women's employment, ECEC providers' ability to expand their services and fair access to quality local care for children. Evidence provided to the committee also notes that the current fee levels are discouraging some women from returning to the workforce or forcing them to rely on less suitable and lower quality forms of care.

1.4 The Greens agree with the majority of submitters and witnesses that we need to address quality, affordability and accessibility if we are to lift quality standards across the board. Further to this, it is clear that there is a crucial need to support professional development and address the labour shortage in the sector.

1.5 The Australian Greens note and endorse the following recommendations made by a number of submitters and witnesses:

- streamlining the existing Child Care Rebate and Child Care Benefit into one central payment, which is paid directly to centres, so parents only have to pay the fee gap. Administering one assistance payment would simplify the system and reduce out-of-pocket costs for parents;
- targeted assistance for rural and regional areas that have difficulty maintaining affordable childcare;
- targeted funding for children and families who need it most, including vulnerable and at risk children and children from low-income families;
- capital grants for new and expanding centres for community and not for profit child care centres to build new or expand their centres. This will help directly with the availability and fees crisis;

- the introduction of professional wages so that the sector can attract and retain qualified and professional educators;
- an additional 10% loading for babies aged (0-2) to address current and continuing pressures; and
- universal access (UA) to preschool and kindergarten.

1.6 The Australian Greens strongly support wage increases in the early childhood education and care workforce. While we recognise the Early Years Quality Fund was an initial attempt of the previous government to begin the process of improving wages, we remain significantly concerned that the Fund was too limited in its scope, time frame and depth of funding to address the pressing and immediate needs of the early childhood education and care sector.

1.7 The Australian Greens strongly support the majority report's recommendations to rescind the government's proposed cuts to ECEC funding and reinstate the JET scheme. At a time when parents are already struggling to meet the rising cost of childcare, the last thing this government should be doing is cutting their support.

1.8 Significant concern was raised by a number of submitters and witnesses regarding the uncertainty surrounding Universal Access funding commitments. The government must reaffirm its commitment to providing universal access at a minimum of 15 hours for four year olds and recognise the long term social and economic benefits of early childhood education.

1.9 It is clear from this inquiry that the majority of submitters and witnesses support the continued implementation of the NQF. However, there must be a substantial investment in the sector should we wish increase quality, accessibility and affordability.

Recommendation 1

1.10 The Australian Greens recommend that the National Quality Framework be supported and its implementation continue as planned.

Recommendation 2

1.11 The Australian Greens recommend that the existing Child Care Rebate and Child Care Benefit be streamlined into one central payment, which is paid directly to centres to reduce the out-of-pocket costs to families.

Recommendation 3

1.12 The Australian Greens recommend that the government urgently address the current wages crisis in the sector by providing appropriate funding through mechanisms other than Enterprise Agreements in order not to disadvantage smaller providers.

Recommendation 4

1.13 The Australian Greens recommend that the government reaffirm its funding commitment to guarantee universal access for all fours year olds.

Senator Sarah Hanson-Young

ADDITIONAL COMMENTS BY SENATOR NICK XENOPHON

1.1 I welcome the Senate Education and Employment Committee's report into the immediate future of the childcare sector in Australia. In particular I would like to thank the committee for giving each of the childcare inquiries considered and specific attention, particularly due to the overlap in some of the issues discussed.

1.2 Early childhood education and care (ECEC) plays an essential role in a child's development but also that child's family's ability to participate in the workforce. Despite this, the sector has faced and continues to face a multitude of hurdles. Rising day care fees, increased regulatory compliance requirements, relatively low wages and high rates of workforce attrition all contribute to the difficult landscape in which providers and family must navigate.

1.3 I fully support the committee's comments and recommendations in their report into the immediate future of the childcare sector in Australia. In particular I was pleased with the committee's recommendation that 'the government rescind its proposed budget changes to ECEC funding, particularly in relation to (Child Care Benefit)'.

1.4 The Child Care Benefit ('CCB') and the Child Care Rebate ('CCR') are the two main payments made by the Commonwealth to families to assist with the costs of ECEC. The CCR which is not income tested and is paid to assist with the out of pocket costs of childcare has been capped at \$7500 for the next three years. The rebate was frozen at this level in the 2010–2011 Budget.

1.5 The CCB is means tested and paid to lower income families at differing rates, depending on the family's individual circumstances. The Government intends to freeze the income thresholds for this benefit for three income years. There is widespread opposition to this proposal as financial assistance is failing to keep pace with increases in the cost of childcare and indeed the broader cost of living.

1.6 The concerns about the state of the CCR and CCB were summarised by Ms Gwynn Bridge, President of the Australian Childcare Alliance:

The subsidies that families receive for ECEC for their children to be educated and cared for in high-quality and supportive environments have eroded over the past decade. This erosion has occurred through bracket creep and the freeze on the childcare rebate, together with the CPI increases on childcare benefit failing to keep pace with the ever-increasing costs of the provision of care. From budget 2014, families using ECEC will again bear erosion of subsidies.¹

1 Ms Gwynn Bridge, President, Australian Childcare Alliance, *Proof Committee Hansard*, 21 May 2014, p. 32.

1.7 The importance of improving childcare affordability was highlighted by the Grattan Institute, who in 2012 reported that:

Removing disincentives for women to enter the paid workforce would increase the size of the Australian Economy by about \$25 billion per year. The most important policy change is to alter access to Family Tax Benefit, and [C]hild Care Benefit and Rebate so that the second income in a family – usually, but not always, a mother – takes home more income after tax, welfare and child care costs.²

1.8 Childcare costs have been increasing steadily, with some centres charging up to \$200 per day for their services.³ The Australian Childcare Alliance conducted a parent survey which revealed how price sensitive families are to changes in rates charged by providers:

...when fees increased by 10 percent approximately 48 percent of parents would decrease their usage of childcare by one or more days or withdraw completely from care. This result is exacerbated with a 20 percent increase in fees, where more than 70 percent of families indicated they would reduce usage by one or more days or withdraw completely.⁴

1.9 It is clear affordability is a key issue for families. The fees providers choose to charge are determined by a range of factors. The committee heard evidence from a number of submitters and witnesses regarding the cost to providers of implementing the National Quality Framework ('NQF'), a unified national system regulating childcare.

1.10 The objective of the NQF is to raise the quality of childcare and to encourage continuous improvement and consistency in the ECEC sector. In order to achieve these objectives providers are required to comply with the National Quality Standard ('NQS'), an instrument that sets benchmarks and applies ratings to the services offered by the provider. The areas that are rated by the NQS are:

- Educational program and practice
- Children's health and safety
- Physical environment
- Staffing arrangements
- Relationships with children
- Collaborative partnerships with families and communities
- Leadership and service

2 Grattan Report, as cited in Australian Childcare Alliance, *Submission 13*, p. 9.

3 Ms Nesha O'Neil, President, Child Care New South Wales, *Proof Committee Hansard*, 23 May 2014, p. 5.

4 Australian Childcare Alliance, *Submission 13*, p. 9.

1.11 I acknowledge that providers are able to use the rating given by the NQS to demonstrate the strengths of their particular service. However I have concerns regarding the regulatory burden imposed by the NQF and the NQS. I raised these concerns with the Department of Education during the committee's public hearing in Canberra:

Ms Wilson: ... I think that what has happened is that with all good intention people established processes and some of those processes have added to layers of form-filling and red tape that people had not envisaged.

Senator XENOPHON: Are you saying that the paradox is that the intention of the process was to reduce red tape and an unnecessary regulatory burden, but it has had the perverse outcome to some degree of adding to that, because of the process?

Ms Wilson: That has been some of the feedback.⁵

1.12 The Australian Childcare Alliance confirmed to the committee that 56 percent of their members reported that the introduction of the NQF has resulted in them spending decreased or significantly decreased time with the children in their care.⁶

1.13 I agree that a national system improves consistency in what is required of an ECEC provider, however I have serious concerns that a single over-all rating is given rather than discrete ratings for each area. These concerns were raised with the Department of Education:

Senator XENOPHON: Noting that quality area one is 'educational programs and practice', area two is 'children's health and safety' and area seven is 'leadership and service management', some parents might view 'health and safety' or 'educational programs and practice' as having more weight than the way in which the centre is managed, although the two obviously can be linked together.

Ms Wilson: I agree with you. As parents we would want to make sure that area two, health and safety, is well and truly covered, so that when you take your child somewhere you know they are safe and that their physical environment is actually—

Senator XENOPHON: The point I am making, perhaps from a parent's perspective, is that they might have fantastic partnerships as families and communities, under area six, and they might pass leadership and service management with flying colours, and they might pass overall, but when it comes to health and safety and educational programs and practice they might be lagging behind. I think that is something parents would want to see. That is the feedback I have been getting.⁷

5 Ms Jackie Wilson, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 5.

6 Australian Childcare Alliance, *Submission 13*, p. 25.

7 Ms Jackie Wilson, Department of Education, *Proof Committee Hansard*, 22 May 2014, p. 6.

1.14 I strongly encourage the Australian Children's Education and Care Quality Authority ('ACECQA'), the body leading the implementation of the NQF to consider revising the rating mechanism to allow providers to receive individual ratings for each of the seven assessable areas in order to improve transparency and provide a more accurate snapshot of the childcare provider's services.

Recommendation 1

1.15 That a separate rating is provided for each of the seven NQS areas assessed by ACECQA.

1.16 I am also concerned that the assessment of childcare services by ACECQA is running so far behind schedule. In ACECQA's 'NQF Snapshot' for the first quarter of 2014 (released in May) it states that as at 31 March 2014 of the 14 358 ECEC providers in Australia, only 35 percent had been assessed.⁸

1.17 Concerns about the delay in assessing providers were echoed at the committee's public hearing in Melbourne:

One of the main things that are worrying the Australian Childcare Alliance is that the task of assessment has been huge, and the states are miles behind where they should be with assessing all the services around Australia. I think even to this date not even half are done, but that could have changed. What it means is that some services have already gone four years without a compliance visit. They may still go another two or three years, because the states are flat out trying to get through, and now those in the first lot they assessed who got 'working towards', which only gave them one year, are now coming up for reassessment. The assessment is just blowing out.⁹

1.18 Clearly greater resources need to be applied to this assessment process in order to properly implement the NQF and for the NQF to achieve its objectives.

Recommendation 2

1.19 The Government consider allocating more resources to ACECQA in order to expedite the ECEC provider assessment process.

1.20 I also have concerns surrounding the capping of places for in-home care ('IHC'), particularly given its flexibility to respond to individual families' needs. In its submission to the Productivity Commission's inquiry into childhood and early childhood education, the National In-Home Childcare Association ('NICA') explained:

In-Home Care (IHC) is a capped, small, vital and integral part of child care services for families and a highly successful part of the early childhood mix and is presently only half of one percent of the Early Childhood budget of more than \$25 billion over the next four years.¹⁰

8 ACECQA, *NQF Snapshot Q1 2014 (May 2014)*, p. 2.

9 Ms Gwynn Bridge, *Proof Committee Hansard*, 21 May 2014, p. 35.

10 National In-Home Childcare Association, *Submission 18*, p. 7.

1.21 NICA continued:

IHC is recognition that some families do not have access to other child care options for a range of reasons, including non-standard working hours, which affects workers in a range of industries like emergency services, health, tourism, performing arts, retail and manufacturing. Many families live in remote locations with dispersed populations where there are no other forms of child care.¹¹

1.22 Families wishing to use more flexible childcare options such as IHC may be stopped from doing so for a number of reasons. Firstly the cap on places limits supply, but where IHC educators are available families may be concerned about the lack of formal mechanisms in place to regulate the industry. NICA has proposed working with the Australian Nanny Association, Family Day Care and governments to 'set-up a system of vetting and registration of educators to ensure all child care educators deliver high standards of care for the children they care for'.¹²

1.23 NICA has proposed to extend the current cap by 25 000 places and to require all IHC educators to be registered, to meet the standards required by the NQF (for example, to require educators to have or be actively working towards a diploma level qualification in ECEC or above) and to be vetted by State Regulators.

1.24 I support such a proposal as a sensible move towards providing more flexible care options for modern, working families while ensuring these educators are fit and proper people with appropriate qualifications.

Recommendation 3

1.25 The Government consider and provide a prompt response to NICA's proposal for greater in-home care in Australia.

Senator Nick Xenophon

11 National In-Home Childcare Association, *Submission 18*, p. 7.

12 National In-Home Childcare Association, *Submission 18*, p. 18.

APPENDIX 1

Submissions

- 1** Early Learning Association Australia
- 2** Local Government Association of Queensland
- 3** East Brunswick Kindergarten and Childcare
- 4** Family Day Care Australia
- 5** City of Boroondara
- 6** SDN Children's Services
- 7** United Voice
- 8** The Benevolent Society
- 9** Australian Research Alliance for Children and Youth
- 10** BPW Australia
- 11** The Creche & Kindergarten Association Limited
- 12** Early Childhood Australia
- 13** Australian Childcare Alliance
- 14** Australian Services Union
- 15** Unions NSW
- 16** UnitingCare Children, Young People and Families
- 17** Australian Industry Group
- 18** National In Home Child Care Association
- 19** Department of Education
- 20** Goodstart Early Learning
- 21** Chidren with Disability Australia
- 22** Australian Council of Trade Unions
- 23** Early Childhood Intervention Australia
- 24** Baw Baw Shire Council
- 25** Child Care New South Wales

- 26** Secretariat of National Aboriginal and Islander Child Care
- 27** City of Sydney
- 28** Australian Education Union
- 31** Australian Community Children's Services NSW
- 32** Frankston City Council
- 33** Municipal Association of Victoria
- 34** Gowrie SA
- 35** FamilyVoice Australia
- 36** Early Childhood Teachers' Association
- 37** Community Services and Health Industry Skills Council
- 38** Social Policy Research Centre
- 39** Wynnum Family Day Care
- 40** Shop, Distributive and Allied Employees' Association
- 41** Victorian Government
- 42** Kookaburra Kindergarten
- 43** Community Child Care Association
- 44** Cancer Council Australia
- 45** Australian Community Children's Services
- 46** Australian Children's Education and Care Quality Authority
- 47** Ms Natalie Akers
- 48** Community Child Care Co-operative
- 49** The Awesome Mother's Association

Additional information

- 1** Document tabled at public hearing in Canberra 22 May 2014, by Goodstart Early Learning.
- 2** Document tabled at public hearing in Canberra 22 May 2014, by Goodstart Early Learning.
- 3** Additional information received from National Farmers Federation on 12 May 2014.
- 4** Additional information received from Early Learning Association Australia on 26 May 2014.
- 5** Document tabled at public hearing in Melbourne on 21 May 2014 by Australian Community Children's Services (ACCS).
- 6** Document tabled at public hearing in Canberra on 22 May 2014 by Early Childhood Australia.

Correspondence

- 1** Correction to evidence from United Voice, received 6 June 2014.

Response to questions on notice

- 1** Response to questions on notice from Early Childhood Australia received 23 May 2014.
- 2** Response to questions on notice from MADCAPS received 23 May 2014.
- 3** Response to questions on notice from Australian Research Alliance for Children and Youth (ARACY) received 4 June 2014.
- 4** Response to questions on notice from Australian Research Alliance for Children and Youth (ARACY) received 4 June 2014.
- 5** Response to questions on notice from Australian Research Alliance for Children and Youth (ARACY) received 4 June 2014.
- 6** Response to questions on notice from Australian Childcare Alliance (ACA) received 4 June 2014.
- 7** Response to questions on notice from Australian Childcare Alliance (ACA) received 6 June 2014.

- 8** Response to questions on notice from Australian Childcare Alliance (ACA) received 6 June 2014.
- 9** Response to questions on notice from United Voice received 6 June 2014.
- 10** Response to questions on notice from Australian Education Union received 6 June 2014.
- 11** Response to questions on notice from Australian Industry Group (AIG) received 6 June 2014.
- 12** Response to questions on notice from Australian Children's Education and Care Quality Authority (ACECQA) received 6 June 2014.
- 13** Response to questions on notice from Family Day Care Australia received 6 June 2014.
- 14** Response to questions on notice from KU Children's Services received 6 June 2014.
- 15** Response to questions on notice from Early Childhood Australia received 6 June 2014.
- 16** Response to questions on notice from Goodstart Early Learning received 11 June 2014.
- 17** Response to questions on notice from the Department of Education received 12 June 2014.

APPENDIX 2

Public Hearings

Melbourne, Wednesday, 21 May 2014.

BARNES, Ms Jacinta, Senior Coordinator Family Services Development, City of Boroondara

BRIDGE, Ms Gwynneth May, President, Australian Childcare Alliance

DAVISON, Ms Linda, National Treasurer, Australian Community Children's Services

FORESTER, Ms Belinda, Manager, Human Services, Baw Baw Shire Council

FORSTER, Mr John, Member, Children with Disability Australia

GEURTS, Ms Joanne, Board President, Early Learning Association Australia

GOTLIB, Ms Stephanie, Executive Officer, Children with Disability Australia

HALLIDAY, Mrs Caroline, Family Day Care Coordinator, Baw Baw Shire Council

HAYTHORPE, Ms Correna, Deputy Federal President, Australian Education Union

KENNEDY, Dr Anne, National Secretary, Australian Community Children's Services

LUCAS, Mr Shane, Chief Executive Officer, Early Learning Association Australia

MARTENS, Ms Leonie Kate, Coordinator, Family and Children's Services, Baw Baw Shire Council

MUSSARED, Ms Kylie, Manager Family, Youth and Recreation Services, City of Boroondara

OSBORNE, Ms Justine, SunSmart Schools and Early Childhood Program Coordinator, Cancer Council Victoria

QUINN, Ms Shayne, Representative on AEU National Early Childhood Education Committee, Australian Education Union

ROSS, Councillor Coral, Mayor, City of Boroondara

Canberra, Thursday, 22 May 2014.

ASHWIN, Ms Kristy, Centre Coordinator, Merredin and Districts Childcare and Play School (MADCAPS)

BESSEY, Ms Amarylise, Senior Research Manager, Australian Research Alliance for Children and Youth

CALDWELL, Ms Jo, Group Manager, Early Childhood Strategy Group, Department of Education

CHERRY, Mr John Clifford, Advocacy Manager, Goodstart Early Learning

COOPER, Ms Christine, Assistant Federal Secretary, Independent Education Union of Australia

JAMES, Ms Lisa, Early Childhood Organiser, NSW/ACT Branch, Independent Education Union of Australia

MITCHELL, Ms Gillian, Branch Manager, Strategic Policy Coordination, Department of Education

PAGE, Ms Samantha, Chief Executive Officer, Early Childhood Australia

RYAN, Ms Rebecca, Chairperson, Management Committee, Merredin and Districts Childcare and Play School (MADCAPS)

SPRIGGS, Mr John, Senior Industrial Officer, Queensland/Northern Territory Branch, Independent Education Union of Australia STEEL, Mr Chris, Policy Manager, Early Childhood Australia

WADDOUPS, Ms Anne, Senior Research Manager, Australian Research Alliance for Children and Youth

WILSON, Ms Jackie, Deputy Secretary, Early Childhood Education and Care, Department of Education

Sydney, Thursday, 23 May 2014.

BEANGE, Mrs Monique, General Manager, Early Childhood Education, KU Children's Services

BELL, Ms Sandra, Private capacity

BROWN, Ms Poppy, General Manager, Community Programs, KU Children's Services

CARMICHAEL, Mrs Vicki, Sector Support Manager, Family Day Care Australia

COOKE, Mr Roderick, Chief Executive Officer, Community Services and Health Industry Skills Council

CURTIS, Ms Karen, Chief Executive Officer, Australian Children's Education and Care Quality Authority

DAWSON, Ms Karen, Acting Chief Executive Officer, KU Children's Services

DONNAN, Ms Emily, Private capacity

DOYLE, Ms Kay, Private capacity

GOODGER, Dr Brendan, Policy and Research Manager, Community Services and Health Industry Skills Council

McNELLIE, Ms Peta, Executive Manager, Family Day Care Australia

NORTHAM, Ms Carla, Chief Executive Officer, Family Day Care Australia

O'NEIL, Ms Nesha, President, Child Care New South Wales

REDDELL, Ms Anne, Board Member, Australian Children's Education and Care Quality Authority

ROBINSON, Ms Jane Lizbeth, General Manager, People Services, KU Children's Services

RYAN, Ms Lyndal, National Vice President, United Voice

SKOULOGENIS, Mrs Vicki, Private capacity

SMITH, Mr Stephen Thomas, Director, National Workplace Relations, Australian Industry Group

STREET, Ms Nicola, National Manager, Workplace Relations Policy, Australian Industry Group

TAYLER, Professor Collette, Deputy Board Chair, Australian Children's Education and Care Quality Authority

TOHME, Ms Sasha, Media and Communications Coordinator, Family Day Care Australia