

The Senate

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Education and Employment  
Legislation Committee

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Family Assistance Legislation Amendment  
(Jobs for Families Child Care Package) Bill  
2015 [Provisions]

April 2016

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# TABLE OF CONTENTS

<b>MEMBERSHIP OF THE COMMITTEE.....</b>	<b>iii</b>
<b>RECOMMENDATIONS.....</b>	<b>vii</b>
<b>CHAPTER 1 .....</b>	<b>1</b>
<b>Background .....</b>	<b>1</b>
Reference .....	1
Conduct of the inquiry .....	1
Background.....	1
Overview of the Bill .....	3
Human rights implications .....	6
Financial impact statement .....	6
Acknowledgement .....	7
<b>CHAPTER 2 .....</b>	<b>9</b>
<b>Key issues.....</b>	<b>9</b>
Introduction .....	9
Additional funding and access to early learning and child care.....	9
The Child Care Subsidy.....	13
The Additional Child Care Subsidy .....	19
Conclusion .....	23
<b>LABOR SENATORS' DISSENTING REPORT .....</b>	<b>25</b>
Impact on out-of-pocket fees as a result of the Bill .....	25
Impact of the new activity test for determining eligibility to subsidised child care .....	26
Impact on vulnerable children and Indigenous Services .....	29
Conclusion .....	32
Recommendations .....	32

<b>THE AUSTRALIAN GREENS' DISSENTING REPORT .....</b>	<b>35</b>
Conclusion .....	36
Recommendations .....	36
<b>APPENDIX 1 .....</b>	<b>39</b>
Submissions and Additional Information received by the Committee.....	39
<b>APPENDIX 2 .....</b>	<b>45</b>
Public Hearing .....	45

# **RECOMMENDATIONS**

## **Recommendation 1**

**2.70 The committee recommends that the Senate pass the Bill.**



# **CHAPTER 1**

## **Background**

### **Reference**

1.1 On 2 December 2015, the Senate referred an inquiry into the provisions of the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015 (the Bill) to the Education and Employment Legislation Committee (the committee) for inquiry and report by 17 March 2016. On 17 March 2016, on the request of a committee member, the committee unanimously agreed to seek an extension of time to report until 4 April 2016. The Senate granted this extension.

### **Conduct of the inquiry**

1.2 Details of the inquiry were made available on the committee's website. The committee also contacted a number of organisations inviting submissions to the inquiry. Submissions were received from 143 individuals and organisations, as detailed in Appendix 1.

1.3 A public hearing was held in Canberra on 4 March 2016. A list of witnesses can be found in Appendix 2.

### **Background**

1.4 The Bill forms part of the government's Jobs for Families Child Care Package as included in the 2015-16 Budget. The aim of the Bill is to support improved affordability, accessibility and flexibility of child care for families and thus encourage greater engagement from families with the paid workforce.<sup>1</sup>

1.5 The Bill's main provisions include the introduction of a new Child Care Subsidy (CCS), replacing the current Child Care Benefit and Child Care Rebate, and changes to the requirements of approved child care providers.<sup>2</sup>

1.6 The government's Jobs for Families Child Care Package as a whole is a response to the Productivity Commission's report *Childcare and Early Childhood Learning*, which was commissioned in November 2013 and reported in October 2014.<sup>3</sup>

1.7 The Productivity Commission's inquiry terms of reference were:

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.

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1 Explanatory Memorandum, p. 2.

2 Explanatory Memorandum, p. 2.

3 Productivity Commission 2014, *Childcare and Early Childhood Learning*, Inquiry Report No. 73, Canberra.

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;
  - (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.

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6. In making any recommendations for future Australian Government policy settings, the Commission will consider options within current funding parameters.<sup>4</sup>

1.8 The Bill therefore addresses the following priorities identified by the Productivity Commission's report:

- simplifying and streamlining a complex system that is difficult to understand;
- improving affordability for parents, including taking steps to constrain fee growth;
- improving accessibility and flexibility;
- better targeting assistance for vulnerable children and communities; and
- reducing regulatory burden through improved data/information sharing and IT systems.<sup>5</sup>

## **Overview of the Bill**

1.9 The Bill is comprised of four schedules:

- Schedule 1 – Main amendments;
- Schedule 2 – Contingent and consequential amendments;
- Schedule 3 – Other amendments; and
- Schedule 4 – Application, saving and transitional provisions.<sup>6</sup>

### ***Schedule 1 – Main amendments***

1.10 The main amendments of this Bill will amend the *A New Tax System (Family Assistance) Act 1999* and the *A New Tax System (Family Assistance) (Administration) Act 1999* to have the effect of:

- ceasing the Child Care Benefit (CCB) and Child Care Rebate (CCR);
- introducing, from 1 July 2017, a new Child Care Subsidy (CCS), which is subject to both an income and activity test;
- introducing various rates of Additional Child Care Subsidy (ACCS) that are available to individuals (and in one case, child care providers) in various circumstances; and
- making other amendments to deal with CCS and ACCS claims, reviews of decisions, provider approvals and compliance obligations of approved providers of child care services.<sup>7</sup>

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4 Productivity Commission 2014, *Childcare and Early Childhood Learning*, Inquiry Report No. 73, Canberra, pp v–vi.

5 Department of Education and Training, *Submission 30*, p. 7.

6 Explanatory Memorandum, p. 4.

7 Explanatory Memorandum, p. 11.

### **Schedule 2 – Contingent and consequential amendments**

1.11 Item 1 amends a provision in section 6 of the *A New Tax System (Family Assistance) Act 1999* regarding immunisation requirements. This item is contingent on the passage of the Social Services Legislation Amendment (Family Payments Structural Reform and Participation Measures) Bill 2015 because that Bill also proposes amendments to that provision of the *A New Tax System (Family Assistance) Act 1999*.<sup>8</sup>

1.12 Items 2 and 3 amend the *A New Tax System (Goods and Services Tax) Act 1999* which is consequential to the removal of 'registered care' as a kind of Commonwealth supported child care by Schedule 1 of this Bill.<sup>9</sup>

1.13 Items 4 and 5 make minor consequential amendments to the *Early Years Quality Fund Special Account Act 2013* based on the introduction of new terminology of 'approved provider' and 'large centre-based day care provider' in Schedule 1 of this Bill.<sup>10</sup>

1.14 Item 6 reflects the usage of the term 'approved child care service' in Schedule 1 of this Bill to make a minor consequential amendment to the *Fringe Benefits Tax Assessment Act 1986*.<sup>11</sup>

1.15 Items 7, 8 and 9 make amendments to the *Income Tax Assessment Act 1997* in consequence of the cessation of the CCB and CCR and the introduction of the CCS and ACCS by Schedule 1 of this Bill. The Explanatory Memorandum notes that: 'The overall approach to the tax treatment of child care payments, however, remains unchanged'.<sup>12</sup>

### **Schedule 3 – Other amendments**

1.16 Items 1 and 2 come into effect the day after Royal Assent and simplify a provision in the *A New Tax System (Goods and Services Tax) Act 1999* relating to the Goods and Services Tax (GST) treatment of child care funded by the Commonwealth. The provision allows the Minister to determine certain kinds of child care for this purpose to enable new child care funding programmes to be treated consistently for GST purposes.<sup>13</sup>

1.17 Items 3 and 4 come into effect on 1 July 2016 and allow the Minister to prescribe circumstances in which applications (made after that date) for approval of a child care service are taken to not have been made. This rule making power is intended to be used to limit applications to address excessive growth within a

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8 Explanatory Memorandum, p. 62.

9 Explanatory Memorandum, p. 62.

10 Explanatory Memorandum, p. 62.

11 Explanatory Memorandum, p. 62.

12 Explanatory Memorandum, p. 62.

13 Explanatory Memorandum, p. 63.

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particular child care service type, specifically where there are concerns about proven or alleged non-compliance with family assistance law.<sup>14</sup>

1.18 Items 5 and 6 shorten the period, from six months to three, in which CCB service approvals are able to be backdated from the date of application. This provision comes into effect on 1 July 2016 and is transitional in nature, serving to ensure that lengthy backdated approvals are not possible in the lead up to the new CCS system.<sup>15</sup>

1.19 Items 7 and 8 come into effect on 1 July 2016 and allow the Secretary to reassess whether a child care service continues to meet the conditions of continued approval. Where the service does not, its approval may be cancelled. This provision ensures that sanction action in relation to non-compliant services can occur in the lead-up to the new CCS system and aligns with the Secretary's capacity to review the approval of approved providers upon commencement of Schedule 1 of this Bill.<sup>16</sup>

1.20 Items 9 through 18 make amendments related to the cessation of enrolment advances, ensuring that no new enrolment advances received from 1 July 2016 are payable and will ensure that where, from 1 July 2016, enrolment advances were paid in relation to enrolments that occurred more than four years beforehand, the Secretary is able to begin recovery of those advances.<sup>17</sup>

#### ***Schedule 4 – Application, saving and transitional provisions***

1.21 Item 1 defines terms specifically for the purposes of the application, savings and transitional provisions in Schedule 4.<sup>18</sup>

1.22 Items 2 through 6 are provisions relating to the transition to and commencement of the new system, particularly as it relates to the CCS and ACCS, brought into effect by the Bill.<sup>19</sup>

1.23 Items 7 and 8 relate to the existing CCB and CCR system, including saving the operation of legislation and instruments to ensure that eligibility and entitlement for the CCB and CCR (for child care that occurred before commencement) can still be determined and reviewed after the new system commences.<sup>20</sup>

1.24 Item 9 ensures continuity by deeming operators of child care services to be 'providers' under the new CCS system on and from commencement day.<sup>21</sup>

1.25 Item 10 saves the effects of the previous law relating to debts incurred under the previous system. Liability for debts under the old system continue, new debts can

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14 Explanatory Memorandum, p. 63.

15 Explanatory Memorandum, p. 63.

16 Explanatory Memorandum, p. 63.

17 Explanatory Memorandum, p. 63.

18 Explanatory Memorandum, p. 64.

19 Explanatory Memorandum, p. 64.

20 Explanatory Memorandum, pp 64-65.

21 Explanatory Memorandum, p. 65.

arise in relation to CCB and CCR payments, debts can be recovered under the recovery powers (as amended in Schedule 1 of this Bill) and old decisions are still reviewable.<sup>22</sup>

1.26 Item 11 clarifies that the amendment of the delegation power does not affect a delegation (or power exercised in reliance on one) previously in effect.<sup>23</sup>

1.27 Item 12 gives the Minister broad power to make rules, particularly dealing with transitional issues. The Bill's Explanatory Memorandum notes:

Although the power is broad and allows the Minister to modify the effect of principal legislation, the power is intended to be limited to ensuring the smooth transition into the new CCS and ACCS system. The power is intended to be relied on to ensure beneficial outcomes for providers, services and individuals who may otherwise be affected by unanticipated scenarios that arise at transition. The power to modify principal legislation is also limited to a two year period from commencement in light of the expectation that no further transitional issues will arise after that time.<sup>24</sup>

## **Human rights implications**

1.28 The Bill engages the following human rights, as outlined in the Explanatory Memorandum:

- the right to work, under Article 6 of the *International Covenant on Economic, Social and Cultural Rights* (ICESCR);
- the rights of parents and children, under Articles 3, 18 and 19 of the *Convention of the Rights of the Child* (CRC);
- the right to an adequate standard of living, under Article 27 of the CRC;
- the right to social security, under Article 9 of the ICESCR;
- the right to be not discriminated against, under Article 26 of the International Covenant on Civil and Political Rights (ICCPR) and Article 2 of the CRC;
- the right to be presumed innocent, under Article 14 of the ICCPR; and
- the right to privacy, under Article 17 of the ICCPR and Article 16 of the CRC.

1.29 The Bill's Explanatory Memorandum notes that the Bill advances human rights by encouraging families to work, or work more, by simplifying and making more affordable and flexible access to child care.<sup>25</sup>

1.30 Further, to the extent the Bill may limit some rights, those limitations are 'reasonable, necessary and proportionate'.<sup>26</sup>

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22 Explanatory Memorandum, p. 65.

23 Explanatory Memorandum, p. 65.

24 Explanatory Memorandum, p. 65.

25 Explanatory Memorandum, pp 8-9.

26 Explanatory Memorandum, p. 9.

## **Financial impact statement**

1.31 The Bill's Explanatory Memorandum notes that the Bill forms part of the government's \$40 billion Jobs for Families Child Care Package, which includes more than \$3 billion of additional expenditure over the forward estimates.<sup>27</sup>

1.32 The Child Care Subsidy introduced by the Bill is funded for \$21 billion over two years from 2017-18; the Additional Child Care Subsidy for \$178.3 million over the same period.<sup>28</sup>

## **Acknowledgement**

1.33 The Committee thanks those individuals and organisations who contributed to the inquiry by preparing written submissions or by appearing at the public hearing.

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27 Explanatory Memorandum, p. 3.

28 Explanatory Memorandum, p. 3.



# **CHAPTER 2**

## **Key issues**

### **Introduction**

2.1 The committee's inquiry into the Family Assistance Legislation Amendment (Job for Families) Bill 2015 (the Bill) attracted considerable interest from submitters across a range of categories including families, child care providers, advocacy and interest groups, academics and government departments.

2.2 Certain aspects of the Bill's provisions, most notably the simplified system of the Child Care Subsidy (CCS) and Additional Child Care Subsidy (ACCS) replacing the existing system of Child Care Benefit (CCB) and Child Care Rebate (CCR), attracted praise from most submitters.

2.3 However, other elements of the Bill drew criticism and concerns from many submitters. Chief amongst these was the Activity Test provision.

2.4 This chapter will explore several of the key issues raised during the course of this inquiry, focusing on elements highlighted in submissions and public hearings.

### **Additional funding and access to early learning and child care**

2.5 The Bill is part of the government's Child Care Package, which will see Commonwealth expenditure of around \$40 billion over the forward estimates, including more than \$3 billion of new funding.<sup>1</sup>

2.6 This introduction of further spending was broadly welcomed by submitters and witnesses to this inquiry:

[Early Childhood Australia] welcomes the package overall and has been broadly supportive of it. We particularly welcome the additional \$3.2 billion in the childcare package, bringing the total investment to \$40 billion over the four years. This brings us closer to international benchmarks for investment in early learning.<sup>2</sup>

The additional \$3.2 billion that the government is intending to invest to make child care more affordable for families brings an incredible sigh of relief for many families and many of our Parenthood members.<sup>3</sup>

[Early Childhood Management Services] warmly welcomes the additional investment in the early learning and care sector through the *Jobs for*

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1 Department of Education and Training, *Submission 30*, p. 6.

2 Ms Sam Page, Chief Executive Officer, Early Childhood Australia, *Committee Hansard*, 4 March 2016, p. 1.

3 Ms Jo Briskey, Chief Executive Officer, The Parenthood, *Committee Hansard*, 4 March 2016, p. 12.

*Families and child care package and the Family Assistance Legislation Amendment Bill 2015.*<sup>4</sup>

Anglicare Australia welcomes the significant investment into child care that the Jobs for Families package represents. The subsidisation of child care has two clear objectives: addressing barriers to workforce participation experienced by parents; and ensuring adequate access to early childhood education. The package will continue to provide access to child care for many working families.<sup>5</sup>

2.7 Similarly, Early Childhood Australia (ECA) noted that:

The changes contained in the Child Care Assistance Package hold significant gravity for children's access and participation in early learning. It is pleasing to see that the changes are likely to see the total number of children and families using early childhood education and care grow following the introduction of the package.<sup>6</sup>

2.8 The Australian Childcare Alliance (ACA), the peak body representing the early childhood education and care sector, also commented that:

ACA recognises the many positive aspects of this package. We welcome the relief for families from 1 July 2017 and the increased threshold from \$7500 to \$10 000 for middle income families. ACA welcomes the \$3 billion additional investment and remain committed to working with Government to ensure that the best possible outcomes for all children are achieved.

The significant additional investment in the Jobs For Families package is positive recognition by Government of the value of the ECEC sector and the part it plays in assisting parents and other primary carers to maintain workforce participation.<sup>7</sup>

2.9 Minister for Education and Training Senator the Hon. Simon Birmingham estimated that around one million Australian families would be better off as a result of the government's Jobs for Families package, in the following income brackets.

2.10 For lower income families:

From July 2017, about 250,000 families earning \$65,710 or less per year will have access to a subsidy rate of 85 per cent of their fee, which is up from their current subsidy rate of around 72 per cent. The majority of these

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4 Early Childhood Management Services, *Submission 34*, p. 1.

5 Anglicare Australia, *Submission 49*, p. 3.

6 Early Childhood Australia, *Submission 10*, p. 3.

7 Australian Childcare Alliance, *Submission 73*, p. 3.

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families will be better off (about 104 100) or will experience no change (about 81 000).<sup>8</sup>

**2.11 Low to middle income families:**

The subsidy rate tapers from 85 per cent for families earning more than \$65 710 to 50 per cent for those earning \$170 710. In this income bracket, families will, on average, be about \$1500 a year better off. Around 565 400 families will be better off and a further 32 800 will experience no change in support. These families will particularly benefit from the removal of the annual \$7500 cap, which applies universally today, but will only apply for families with incomes of more than \$185 710 under the new Package and is being increased to \$10 000. Together with the more generous Child Care Subsidy, this is another win for low to middle income families.

It is anticipated that many of the around 55 700 families in this income bracket who may receive a reduced amount of support will either increase their activity or move to lower cost child care services.<sup>9</sup>

**2.12 Upper income families:**

The Child Care Subsidy tapers to 50 per cent for family incomes of \$170 710. It then remains at 50 per cent until family income reaches \$250 000. Around 142 400 families earning between these amounts will be better off under the new Package, while a further 19 500 will experience no change. About 16 600 will receive a reduced level of child care support, mainly because they are paying child care fees in excess of average costs.<sup>10</sup>

**2.13 High income families:**

For high income families earning \$250 000 or more, the subsidy reduces from 50 per cent to 20 per cent at \$340 000 and above. As a result, around 59 500 families earning more than \$250 000 a year will receive less Child Care Subsidy under the proposed arrangements. In this income bracket, around 7 200 families will experience no change while about 3 800 families will be better off.<sup>11</sup>

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- 8 Senator Simon Birmingham, 'One million families to benefit from child care reforms', Media release, 30 January 2016, <http://www.senatorbirmingham.com.au/Media-Centre/Media-Releases/ID/2935/One-million-families-to-benefit-from-child-care-reforms> (accessed 9 March 2016).
  - 9 Senator Simon Birmingham, 'One million families to benefit from child care reforms', Media release, 30 January 2016, <http://www.senatorbirmingham.com.au/Media-Centre/Media-Releases/ID/2935/One-million-families-to-benefit-from-child-care-reforms> (accessed 9 March 2016).
  - 10 Senator Simon Birmingham, 'One million families to benefit from child care reforms', Media release, 30 January 2016, <http://www.senatorbirmingham.com.au/Media-Centre/Media-Releases/ID/2935/One-million-families-to-benefit-from-child-care-reforms> (accessed 9 March 2016).
  - 11 Senator Simon Birmingham, 'One million families to benefit from child care reforms', Media release, 30 January 2016, <http://www.senatorbirmingham.com.au/Media-Centre/Media-Releases/ID/2935/One-million-families-to-benefit-from-child-care-reforms> (accessed 9 March 2016).

2.14 As the government's figures show, most Australian families will be better off – or at a minimum face no change – as a result of this package's introduction, and the Bill's focus on increasing workforce participation and engagement should further see families better off if they are able to increase their workforce participation accordingly.

2.15 Additional studies have since been released by interest groups. An ANU study commissioned by ECA conceded that:

There are major differences in the data between that used here and that we understand was used by the Commonwealth. The Commonwealth will have a superior data base with the full population of formal childcare families and exact price and hours information for child care use.<sup>12</sup>

2.16 Whilst the findings of this report differed to the department's own modelling, it still found that the package will benefit most families who use formal child care.

2.17 As part of its submission to the inquiry, SNAICC attached Deloitte Access Economics research that looked at the transition of indigenous BBFs to the child care subsidy, without recognising the benefits of the Additional Child Care Subsidy and the Community Child Care Fund. Both of these programmes are designed to address the very needs highlighted by the Deloitte Report:

CHAIR: It did not go to analysing the additional child care subsidy—is that correct?

Ms Sydenham: No it did not.

CHAIR: Or the community child care fund?

Ms Sydenham: That is right and that is because there was not seen to be sufficient information that is publicly available at the moment to be able to do that modelling.<sup>13</sup>

2.18 Numerous submitters pointed out that early childhood education is a vital component of children's development and that, in particular, children from disadvantaged families benefit the most from attendance at high-quality early childhood education and care facilities.<sup>14</sup>

2.19 The Australian Children's Education and Care Quality Authority (ACECQA), the independent national authority established to lead the implementation of the National Quality Framework (NQF), referred to:

... established research that shows quality early childhood education and care leads to better health, education and employment outcomes later in life, as well as broader social and emotional development. Quality children's

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12 Ben Phillips, 'Distributional Modelling of Proposed Childcare Reforms in Australia', March 2016, commissioned and tabled by Early Childhood Australia.

13 Ms Emma Sydenham, Deputy Chief Executive Officer, Secretariat of National Aboriginal and Islander Child Care, *Committee Hansard*, 4 March 2016, p. 26.

14 See, for example, Social Policy Research Centre, University of New South Wales, *Submission 8*, p. 3;

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education and care is also integral to realising long term economic gains through building human capital, improving workforce productivity and reducing public spending on health, welfare and justice.<sup>15</sup>

2.20 As the department noted in its submission:

The overarching goal is to create a more sustainable system that:

- encourages greater workforce participation and productivity, and better meets families' needs;
- addresses children's learning and development needs, particularly those who are vulnerable or at risk of poor long-term development outcomes; and
- improves budget sustainability in the longer term.<sup>16</sup>

## **The Child Care Subsidy**

### ***Provisions***

2.21 The Bill introduces the new Child Care Subsidy (CCS), which replaces the existing Child Care Benefit (CCB) and Child Care Rebate (CCR). The Department of Education and Training (the department), in its submission, described the CCS as the 'centrepiece' of the Jobs for Families Package.<sup>17</sup>

2.22 The department outlined the main functions of the CCS:

The Child Care Subsidy will replace the current Child Care Benefit and Child Care Rebate with a single payment based on family income. The Child Care Subsidy will:

- be paid directly to service providers, based on a family's fortnightly entitlement; and
- be better targeted and provide more assistance to low and middle income families.

[...]

The Child Care Subsidy will provide the greatest rate of subsidy to families earning the least and provide more hours of subsidy to families who work the most.

The Child Care Subsidy paid will be a percentage of the actual fee charged by the child care service (up to the relevant percentage of the hourly fee cap).<sup>18</sup>

2.23 Eligibility for the CCS paid to families is established according to the following principles:

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15 Australian Children's Education and Care Quality Authority, *Submission 44*, p. 2.

16 Department of Education and Training, *Submission 30*, p. 7.

17 Department of Education and Training, *Submission 30*, p. 8.

18 Department of Education and Training, *Submission 30*, p. 8.

An individual's eligibility for the Child Care Subsidy is outlined in Clause 85BA of the Bill, in summary an individual is eligible for the subsidy if at the time the care was provided:

- the child is a FTB child, or regular care child of the individual or their partner; and
- the child is 13 years old or under and does not attend secondary school; and
- the child meets immunisation requirements; and
- the individual or their partner meets residence requirements (outlined in Clause 85BB); and
- the individual or their partner has incurred a liability to pay for the child care; and
- the care is provided in Australia and is not part of a compulsory education programme.<sup>19</sup>

2.24 The level of payment made to families is then calculated on the basis of three factors:

- the family income, which determines the subsidy percentage;
- the hours of recognised activity (including work, training, study or other recognised activity) undertaken by the parent(s), which determines the fortnightly hours attracting the subsidy; and
- the actual hourly fee charged by the service and the hourly fee cap for the service type being utilised, which determines the subsidy amount.<sup>20</sup>

2.25 The family income, as noted, determines the percentage of the CCS to which the family is entitled. The following table outlines the percentage of the CCS to which families in each income bracket is entitled:

<b>Combined Family Income</b>	<b>Subsidy per cent of the actual fee charged (up to relevant percentage of the hourly fee cap)</b>
Up to \$65,710	85%
More than \$65,710 to below \$170,710	Tapering to 50%*
\$170,710 to below \$250,000	50%
\$250,000 to below \$340,000	Tapering to 20%*
\$340,000 or more	20%

\*Subsidy tapers down by 1 per cent for each \$3000 of income.

19 Department of Education and Training, *Submission 30*, p. 8.

20 Department of Education and Training, *Submission 30*, p. 9.

Source: Department of Education and Training, *Submission 30*, p. 9.

2.26 Furthermore, the Bill amends the annual subsidy cap for families: currently Child Care Rebate is capped at \$7500 per child in all families annually, regardless of income. Under the Bill, those families on an annual income of \$185 710 or less will not have their level of subsidy capped at all; families whose income is above that level will have a subsidy cap of \$10 000 per child.<sup>21</sup>

2.27 Family eligibility for the CCS is further determined by an activity test which, the department argued, 'more closely align[s] the hours of subsidised care with the combined hours of work, training, study or other recognised activity undertaken'.<sup>22</sup>

2.28 In two-parent families, the child's subsidy will be based on the activity level of the parent with the fewest hours of activity each fortnight. Families (whether single or two parent) where one parent does not reach the eight hour minimum threshold of recognised activity per fortnight will attract zero hours of subsidised early learning and care. However, families who do not meet the activity test will be eligible for 24 hours of subsidised care per fortnight if the family's total annual income is \$65 710 or less.<sup>23</sup>

2.29 The table below explains the number of hours of subsidised care to which each child is entitled depending on their family's level of activity:

<b>Step</b>	<b>Hours of activity (per fortnight)</b>	<b>Maximum number of hours of subsidy (per fortnight)</b>
<b>1</b>	<b>8 hours to 16 hours</b>	<b>36 hours</b>
<b>2</b>	<b>More than 16 hours to 48 hours</b>	<b>72 hours</b>
<b>3</b>	<b>More than 48 hours</b>	<b>100 hours</b>

Source: Department of Education and Training, *Submission 30*, p. 10.

2.30 The department notes that a 'broad range' of activities will meet the activity test requirements. The Bill defines a 'recognised activity' as:

An individual engages in recognised activity if the individual engages in any one or more of the following:

- a) paid work (whether or not as an employee);
- b) a training course for the purpose of improving the individual's work skills or employment prospects or both;
- c) an approved course of education or study; or
- d) an activity prescribed by the Minister's rules.<sup>24</sup>

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21 Department of Education and Training, *Submission 30*, p. 9.

22 Department of Education and Training, *Submission 30*, p. 10.

23 Department of Education and Training, *Submission 30*, pp 10-11.

24 Department of Education and Training, *Submission 30*, p. 11.

2.31 A list of recognised activities will be provided under the Minister's rules. The department notes that the list will be a 'modified version' of Option 1.2 of Chapter 7 in the Regulation Impact Statement.<sup>25</sup>

2.32 The department emphasised that recognised activities will have:

... a clear focus on workforce participation and be expanded to include unpaid work experience and a broad definition for voluntary work, making it easier for individuals and families to meet the activity test.<sup>26</sup>

2.33 As explained by Minister Hartsuyker during his second reading speech:

The child care safety net aims to give our most vulnerable children a strong start. Amongst other measures, it will provide families on incomes of less than \$65 710 who do not meet the activity test of up to 24 hours per fortnight of subsidised childcare. This is equivalent to two weekly six-hour sessions. These 24 hours will be provided at the highest rate of subsidy, 85 per cent, which is an increase on the current rate of about 72 per cent.<sup>27</sup>

2.34 As the Minister noted during his press conference on 23 November 2015:

We're not forcing child care providers to change their models. We are encouraging them by removing some of the current requirements they have in terms of the hours per day and days per week that they must operate and by providing very generous government subsidies in future. What I hope is that child care providers will recognise that if they are serious about providing early learning opportunities to children, then 12 hours of entitlement which we're giving to low income families regardless of their workforce activity should provide for at least two days of learning potential and opportunity for those children. Nobody seriously thinks that a three year old is sent along for 12 hours of education in one day. Of course it's more analogous to look at school days which would mean that should last for at least a couple of days.

2.35 The department explained the rationale of this amendment is to encourage workforce participation amongst parents:

Closer alignment between the hours of subsidised care and the hours of recognised activity will create a stronger incentive for parents to increase their workforce participation if they want to access more subsidised child care.<sup>28</sup>

2.36 Families will be able to estimate their activity hours over a three-month period, in order to more accurately reflect the activity level for those with casual or irregular working hours.<sup>29</sup>

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25 Department of Education and Training, *Submission 30*, p. 11.

26 Department of Education and Training, *Submission 30*, p. 11.

27 Mr Hartsuyker, *House of Representatives Hansard*, 2 December 2015, p. 14 435.

28 Department of Education and Training, *Submission 30*, p. 10.

29 Department of Education and Training, *Submission 30*, p. 10.

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2.37 In response to the Government's expectation that the hours child care centres bill families be more closely aligned to the hours of care needed and used by a family, ECA said:

Most services are opening before 7 am or at 7 am and closing between 6 pm and 7 pm. The idea of that is that it gives parents the flexibility to drop off early and to still get to work or to pick children up. Most children are not at the centre for the entire operating period.<sup>30</sup>

### ***Reactions***

2.38 Most submitters to this inquiry welcomed the simplification of this element of the child care system, noting that the current system is confusing.

2.39 ECA noted that, for those who qualify for the CCS, the rate of payment is an increase over the existing CCB:

ECA recognises that the current Child Care Benefit is usually paid at a much lower rate than is proposed under Child Care Subsidy, for those eligible to receive the payment. The new Subsidy may therefore provide a greater level of assistance to families on very low incomes. This is welcome and supports the principles of supporting children's learning and development needs and targeting childcare fee assistance to those who need it the most including disadvantaged and vulnerable families and children.<sup>31</sup>

2.40 ECA noted, however, that this increase in payment rate is countered by stricter eligibility rules:

... there is a group of children who were previously eligible for Child Care Benefit who will no longer be able to access the Child Care Subsidy at all. Many of these children are in families which do not have high incomes (though are above the \$65 710 limit) and are still considered to be vulnerable against independent indicators like the Australian Early Development Census (AEDC). Evidence shows that these are the children that would significantly benefit from access to quality early learning.<sup>32</sup>

2.41 Similarly, the Social Research Centre at the University of New South Wales noted that the simplification, and means-testing basis, of the CCS are improvements to the existing system:

The move to a single means-tested subsidy is welcome, and the introduction of a benchmark fee addresses concerns about the inflationary effects of the Child Care Rebate. The new income threshold and lower CCS rate (from 50% to 20%) for higher income families is also welcomed as a recognition that families earning above \$250 000 can afford to pay a greater proportion of the cost of child care.

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30 Early Childhood Australia, *Committee Hansard*, 4 March 2016, p. 5.

31 Early Childhood Australia, *Submission 10*, p. 5.

32 Early Childhood Australia, *Submission 10*, p. 5.

The proposed Child Care Subsidy, and its benchmark fee and activity test, will make child care more affordable for most low- to middle-income families with *predictable, secure and standards hours employment*.<sup>33</sup>

2.42 Not-for-profit early learning and care provider Early Childhood Management Services (ECMS) also supported the new subsidy's design, noting its relative simplicity:

We fully support the streamlined means-tested subsidy providing increased assistance to lower income working families. Paying the subsidy directly to service providers not only strong supports access and participation, it also cuts red tape, making the subsidy system more efficient and simple for families and service providers.<sup>34</sup>

2.43 Submitter responses to the Bill's activity test provisions tended to be quite divisive. While some submissions recognised the Bill's primary focus of encouraging workforce participation, others held concerns about the impact of the reduced level of subsidised care for children whose families do not meet the activity test.

2.44 The increased annual cap on subsidies for families earning above \$185 710 annually – and removal of the cap for families earning less than that – was also broadly supported by submitters. Asked about the opinion of the membership of parent advocacy group The Parenthood regarding this amendment, executive director Ms Jo Briskey said:

We are very supportive of that. The \$7500—especially in relation to mums' and women's participation in the workforce—has kept women working only three days a week, because when you exceed three days a week you hit your cap and you are paying full fee. Having that scrapped altogether for those families under \$185 000 and increased to \$10 000 for those other families is very welcome.<sup>35</sup>

2.45 The Australian Childcare Alliance was also supportive:

We welcome the relief for families from 1 July 2017 and the increased threshold from \$7500 to \$10 000 for middle income families.<sup>36</sup>

2.46 Further, the department noted that:

Add quote from DoE, page 9, par 40:

This change will better target assistance to low and middle income families, particularly those who need to use more child care to work more.<sup>37</sup>

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33 Social Research Centre, University of New South Wales, *Submission 8*, pp 3-4.

34 Early Childhood Management Services, *Submission 34*, p. 1.

35 Ms Jo Briskey, Executive Director, The Parenthood, *Committee Hansard*, 4 March 2016, p. 19.

36 Australian Childcare Alliance, *Submission 64*, p. 3.

37 Department of Education and Training, *Submission 30*, p. 9.

### ***Committee view***

2.47 Whilst recognising the challenge that tightened eligibility and sessions of care present to the child care sector, the committee cannot dismiss the evidence - the Jobs for Families child care assistance package will target support to those who depend upon it in order to work or work more through the activity test; eliminate the \$7500 cap for most families and lift it to \$10 000 for families on higher incomes; increase the rate of subsidy from 72% to 85% for those on the lowest income; and provide an exemption from the activity test for those on the lowest incomes. Even stakeholders who seek changes to the package concede that, as ECA did, 'most working families will be better off as a result of the package'.<sup>38</sup>

2.48 Research highlights the importance of targeted early childhood education for vulnerable families and how it can set a child on a positive learning trajectory for life. Such families in conjunction with families who require childcare due to work schedules are the prime intended beneficiaries of subsidies, as opposed to those seeking childcare for lifestyle reasons. The Committee was concerned that rather than support poorer families, The Parenthood was supportive of 50 per cent subsidies being given to families on over half a million dollars income.

2.49 By focussing subsidies where they are most needed and reducing them for families on higher incomes, the Jobs for Families package targets taxpayer support to encourage workforce participation, while providing a safety net for those families on lower income, and exemptions to ensure ongoing access to 15 hours of preschool a week under the Universal Access agreement.

2.50 Encouraging greater workforce participation is a primary aim of the Jobs for Families package, and the committee is of the view that the activity test provisions of the Bill are a fair and equitable way to ensure that the Child Care Subsidy is targeted best at the families who will need and use it the most.

### **The Additional Child Care Subsidy**

#### ***Provisions***

2.51 The CCS is supplemented by the Additional Child Care Subsidy (ACCS), which is particularly targeted at children and families deemed to be genuinely disadvantaged, with the aim of minimising barriers for these children to accessing early childhood education.<sup>39</sup>

2.52 As the Department of Education outlined in its submission (page 23), the ISP:

...will provide increased programme funding support by 25 per cent including an increased payment for services to engage an additional educator from about \$17 to \$23 per hour. The programme will also provide greater flexibility for families by allowing services to access up to 25 hours of assistance per week with daily limits being removed and significant streamlining of processes for services.

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38 Ms Samantha Page, CEO, Early Childhood Australia, *Committee Hansard*, 4 March 2016, p. 1.

39 Department of Education and Training, *Submission 30*, p. 15.

2.53 The following table explains how the ACCS will be applied:

Target Group	Additional Subsidy
Children at risk of serious abuse or neglect	A subsidy equal to 100 per cent of the actual fee charged (up to 120 per cent of the hourly fee cap) for a maximum of 100 hours per fortnight.
Families experiencing temporary financial hardship	A subsidy equal to 100 per cent of the actual fee charged (up to 120 per cent of the hourly fee cap) for a maximum of 100 hours per fortnight, for up to 13 weeks per event.
Grandparent primary carers on income support	A subsidy equal to 100 per cent of the actual fee charged (up to 120 per cent of the hourly fee cap) for a maximum of 100 hours per fortnight.
Parents transitioning to work from income support	A subsidy equal to 95 per cent of the actual fee charged (up to 95 per cent of the hourly fee cap) with the number of hours of assistance determined by the Child Care Subsidy activity test.
Low income families who do not meet the activity test	A subsidy equal to 85 per cent of the actual fee charged (up to 85 per cent of the hourly fee cap) for a maximum of 24 hours per fortnight.

Source: Department of Education and Training, *Submission 30*, p. 15.

2.54 The department's submission outlines the ways in which the ACCS differs from the existing Special Child Care Benefit:

- services will be required to refer a child who is 'at risk' to an appropriate state/territory body to help ensure the child's welfare and wellbeing;
- services can certify a child to be 'at risk' for up to six weeks in any 12 month period, with this certification being reviewable (whereas, currently child care service providers can certify a child to be 'at risk' for up to 13 weeks in a financial year, with this certification being non-reviewable);
- further periods of 'at risk' assistance will be assessed and approved by DHS (for maximum of 13 week blocks). If it is evident in consultation with the relevant state/territory body that the child's situation will not change for a period of time longer than 13 weeks, the Secretary may certify additional periods of 'at risk' without the need for child care service providers to make additional applications to DHS (hence removing the administrative burden of the current process in these cases);
- families who have had a child assessed as 'at risk' for a period of six months or more will be exempt from the activity test for a further period of 18 months, after the 'at risk' entitlement ceases. This exemption recognises the need to provide ongoing support in instances where the underlying reasons that led to an 'at risk' event are medium to long-term in nature;
- simpler Priority of Access requirements will be introduced to ensure the highest priority children can access child care. There will be two priority

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- categories with 'a child at risk of serious abuse or neglect' receiving the Additional Child Care Subsidy to be Priority 1 (and children of families who meet the activity test through paid employment to be Priority 2); and
- services will be limited to certifying 'at risk' to 50 per cent of children in care at the child care service on any one day. Any additional children that child care service providers identify as 'at risk' can be approved by DHS. This is an increase to the current rule under the Special Child Care Benefit (where services are limited to 18 per cent of the total Child Care Benefit, Special Child Care Benefit and Grandparent Child Care Benefit paid to the service in the quarter before last).<sup>40</sup>

2.55 The department's submission further notes that the department is 'currently developing the list of circumstances in which a child may be considered at risk of serious abuse or neglect'. The completed list will be incorporated into the Minister's rules. The Minister's rules will also provide a legal basis to grant or reject an ACCS 'at risk' claim.<sup>41</sup>

2.56 The department further explained this at the public hearing:

People in child protection will automatically get access to the 120 per cent. I think it is the next group down that I talked about where it might not be on the radar for the relevant state and territory bodies. This was a recommendation out of the Productivity Commission. They said that if children are at risk, there needs to be some process of telling the state body that this child is in a difficult circumstance. It is not at a child protection stage, but by notifying the state or territory they might know other pieces of that child's life that they can put together to have a more holistic picture around that child and that family.<sup>42</sup>

2.57 The department is also currently developing the list of circumstances in which a family may be eligible for the Temporary Financial Hardship subsidy. This list may include the 'sudden and unexpected death of a spouse/partner or child', 'unexpected loss of employment and residing in 'an officially declared disaster area'.<sup>43</sup>

### **Reactions**

2.58 Many submitters applauded the policy intentions and outlines of the ACCS, although several expressed concern that the definitions and inclusions were not drawn broadly enough.

2.59 While expressing some concern at the detail of the definitions – still being developed at the time of their submission – community service organisation and child care centre operator Mission Australia supported the Bill's provisions as part of the broader Child Care Safety Net, noting that 'A subsidy equal to the actual fee (up to

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40 Department of Education and Training, *Submission 30*, p. 16.

41 Department of Education and Training, *Submission 30*, p. 16.

42 Ms Wilson, Department of Education and Training, *Committee Hansard*, 4 March 2016, p. 41.

43 Department of Education and Training, *Submission 30*, p. 17.

120% of the hourly fee cap) for children at risk of abuse or neglect is a valuable protection'.<sup>44</sup>

2.60 Early learning and care provider Goodstart Early Learning (Goodstart) also noted their broad support for the provisions, noting that:

Goodstart welcomes the Government's recognition that extra support is needed to help address cost barriers for the following groups:

- children at risk of serious abuse or neglect (ACCS – at risk);
- families experiencing temporary financial hardship (ACCS – TFH);
- grandparents on income support who are the primary carer of their grandchildren (ACCS – Grandparent); and
- parents transitioning to work from income support (ACCS – TTW).<sup>45</sup>

2.61 Goodstart further noted that:

The Safety Net Programs within the Bill provide a suite of measures to assist children with identified additional needs. Goodstart welcomes the additional funding for these programs and looks forward to working with the Government to develop detailed guidelines to ensure maximum access for children and flexibility for families.<sup>46</sup>

2.62 ECA were also supportive of the measure, arguing that:

For children with additional needs that have access to early learning under the new package, there is an extra inclusion support subsidy, which is a fantastic initiative. We congratulate the government on that.<sup>47</sup>

2.63 However, Goodstart also argued that 'the legislation needs clarification and amendments to ensure that the way these subsidies are implemented meet the needs of some of the most vulnerable children in our society'.<sup>48</sup>

2.64 Similarly, ACA were in favour of the ACCS but maintained that the working definitions used to determine when a child could be considered to be 'at risk' need to be established through consultation with stakeholders, including state and territory authorities, to ensure that they are broad enough to accomplish their objectives:

ACA strongly supports the introduction of an Additional Child Care Subsidy (ACCS), which incorporates some aspects of the existing Inclusion Support Program, to provide targeted additional support to families by providing access to early childhood education and care for children who need it most. However, it is important that the definition of 'at risk' children is broad enough to ensure that no child 'slips through the cracks', and the

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44 Mission Australia, *Submission 13*, p. 4.

45 Goodstart Early Learning, *Submission 47*, p. 31.

46 Goodstart Early Learning, *Submission 47*, p. 18.

47 Ms Samantha Page, CEO, Early Childhood Australia, *Committee Hansard*, 4 March 2016, p. 1.

48 Goodstart Early Learning, *Submission 47*, p. 31.

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circumstances and timeframes will vary markedly for each and every family.<sup>49</sup>

2.65 Recognising stakeholder questions about the Minister's rules and development of those rules, it is important to highlight the following explanation in the department's submission:

Many of these rules are currently being developed by the Department, and will be finalised with input from, and in consultation with, relevant stakeholders. It is also important to note that all Minister's rules and Secretary's rules identified in Appendix 1 will be legislative instruments Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015 subject to disallowance by either house of the Parliament under the *Legislative Instruments Act 2003 (Cth)*.<sup>50</sup>

#### **Committee view**

2.66 The committee recognises that additional assistance will always be required for children from disadvantaged families or at risk of serious abuse or neglect, and believes that the proposed Additional Child Care Subsidy – which forms part of the broader Child Care Safety Net – will provide much-needed support for children and their families in such situations.

#### **Conclusion**

2.67 The Jobs for Families package as a whole aims to encourage and enable families seeking to increase their workforce participation, whether by working more or undertaking activities (including studying and training) that will improve their options for participating in paid work.

2.68 One component of the package is to improve access to and affordability of early childhood education and care. The committee recognises that access to high-quality early childhood education and care is of substantial developmental benefit to children in addition to its role in helping to facilitate parents' workforce engagement.

2.69 As the department's submission notes, the emphasis of the Bill is on providing '... the greatest rate of subsidy to families earning the least and provide more hours of subsidy to families who work the most'.<sup>51</sup> This approach, the committee believes, is in line with community expectations, whereby subsidies and assistance are targeted at those whom they will most benefit and reducing the subsidisation of those with the means to pay a greater proportion of the costs themselves.

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49 Australian Childcare Alliance, *Submission 73*, p. 20.

50 Department of Education and Training, *Submission 30*, pp 5-6.

51 Department of Education and Training, *Submission 30*, p. 8.

**Recommendation 1**

**2.70 The committee recommends that the Senate pass the Bill.**

**Senator Bridget McKenzie**  
**Chair**

# **LABOR SENATORS' DISSENTING REPORT**

1.1 Labor supports the additional investment in child care proposed by the government, but we are not convinced the proposal will achieve the best results for families, children's development or workforce participation. Labor have long argued the importance of proper attention to child development, and affordability of quality early learning. We believe the government needs to ensure extra investment flows to these areas, rather than to the profit margin of providers. Despite the rhetoric of the Turnbull Government about controlling out of pocket expenses for families, research undertaken by the ANU Centre for Social Research and Methods reveals that one in three families will be negatively impacted, 330 042 families will pay more for child care and 157 400 children will be impacted by the new activity test.<sup>1</sup>

1.2 Labor is proud of our record in increasing the rebate to 50 per cent to assist parents with out-of-pocket costs, ensuring the quality of care of children through the National Quality Framework, and introducing universal access funding for critical early childhood education. Labor will always be driven to build on this foundation.

1.3 This Bill does not address out of pocket costs for families, only cost to the Government. Whilst Labor Senators support the Government's proposed additional investment in early education and care, it is essential to note that this is funding diverted from other areas, and consider whether there are fairer and more effective ways to direct this investment.

1.4 Labor Senators argue that this bill forms part of a wider pre-election political quick fix, rather than allocation of appropriate funds to areas that will best assist families and best engage children in early education.

## **Impact on out-of-pocket fees as a result of the Bill**

1.5 Labor senators argue that the introduction of an inflexible national subsidy rate will mean many low and middle-income families in high-cost child care markets will face higher out-of-pocket fees.

1.6 Labor senators also voice concerns that the benchmark price funding model will not adequately address fee growth and out of pocket costs for parents. Over time, growth in Early Childhood Education and Care (ECEC) costs will increasingly be borne by parents, particularly in the context of Government's most recent data which shows 'an increase of 9.2 per cent in the average weekly cost of child care per child from September 2013 to September 2014'.<sup>2</sup>

1.7 The ACTU argue that the benchmark price funding model is 'likely to compromise the ongoing sustainability of funding for early childhood education and

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1 NATSEM, 4 March 2016.

2 Department of Education and Training 2015, *Regulation Impact Statement – Jobs for Families Child Care Package*, pg. 18,  
[http://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bId=r5598](http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r5598).

care for families... Over time, this is likely to result in real decreases in support to families'.<sup>3</sup> Labor Senators support this argument.

1.8 Further to this, the Government has failed to adequately argue the impact that the investment in early learning has on the economy in the long term. The Grattan Institute found that if Australia increased its female workforce participation rate to that of Canada (which is 6% higher), our GDP would be increased by \$25 billion.<sup>4</sup>

1.9 The Murdoch Children's Research Institute argued:

While it is economically sound that Australians be supported to participate in employment, and child care helps to meet this need, a primary focus on workforce participation misses the greater economic benefit that can be reaped through early investment in children's development.<sup>5</sup>

1.10 Goodstart Early Learning provided an example in their submission:

Experience shows it can be done: the Canadian province of Quebec, faced with one of the lowest female participation rates in Canada in 1997 initiated a policy of subsidizing childcare to a net price of just \$5 a day. More than 70 000 mothers joined the workforce and a decade later Quebec had the highest level of workforce participation in Canada. Economic modelling found the reforms paid for themselves, with Government receiving \$1.51 in additional tax revenue and savings on social welfare for every \$1 paid in childcare subsidies.<sup>6</sup>

### **Impact of the new activity test for determining eligibility to subsidised child care**

1.11 ABS research on barriers to work clearly identifies the availability and affordability of childcare as key impediments to many women either entering the workforce or to increasing their hours.<sup>7</sup>

1.12 Submitters to the Committee argued that the activity test could create a disincentive to mothers entering the workforce or increasing their hours of work, thereby reducing participation.<sup>8</sup>

1.13 This Government has to date done nothing to increase the availability of ECEC places in areas of high need. It would be completely unreasonable for the

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3 Australian Council of Trade Unions, *Submission 56*, p. 8.

4 Daley J, 'Game changers: economic reform priorities for Australia', Grattan Institute, June 2012 p. 39.

5 Murdoch Children's Research Institute, *Submission 29*, p. 1.

6 Goodstart Early Learning, *Submission 47*, p. 11.

7 Australian Bureau of Statistics 2013, 'Persons aged 18 years and over, wanted a job or more hours and were available to start work/more hours within four weeks, Selected main reason not looking for work/more hours—By sex', table, *Barriers and Incentives to Labour Force Participation*, cat. no. 6239.0, ABS, Canberra, July 2012 to June 2013.

8 Australian Council of Trade Unions, *Submission 56*, p. 5; The Parenthood, *Submission 61*, p. 10.

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Government to introduce a new test that could make accessing care for families, in particular women, without addressing the rising costs of that care.

1.14 A number of submitters argued that the new activity test will be particularly unfair to parents who are in a casualised, seasonal or unstable workforce.<sup>9</sup> For example, Goodstart Early Learning submitted:

The current subsidy system is very efficient at supporting low and middle-income families with at least one parent in irregular work because it provides a broad base entitlement and a very simple activity test. The new system is more targeted but inadvertently creates barriers to work for families where at least one parent does not have secure, regular employment.<sup>10</sup>

1.15 Under this proposed activity test many parents will be fearful they might not meet the work requirements sometimes – if they don't get called in for a shift, if they are ill, or if they have to go away, further adding to the complexity of understanding and administering the system.<sup>11</sup> The demand for ECEC also means parents cannot simply withdraw their children from ECEC one week and return them in the following month when they have more shifts secured.<sup>12</sup>

1.16 According to the Independent Inquiry into Insecure work in Australia, nearly 4 million workers are in insecure employment, whether engaged as casuals, on short term contracts, in labour hire or as independent contractors, casuals, on short term contracts, in labour hire or as independent contractors.<sup>13</sup>

1.17 The new activity test will also reduce access to early education for many children, while pushing others out of the system entirely. For example, parents who volunteer, as oppose to engaging in paid work, will be discouraged from doing so. Despite Senator Birmingham reporting that this was something he was keen to ensure was protected, this bill fails to address how parents who volunteer their time could meet the activity requirements, or how the gap in duties performed by these volunteers would be addressed.

What I do want to have a look at, Patricia, though is making sure that the activity test – which is only four hours for entry – is also really encouraging people and parents, especially in the volunteering space, to be engaging in the learning of their children... because that is how we can not only make

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9 Goodstart Early Learning, *Submission 47*, p. 5; United Voice, *Submission 19*, p. 18; Murdoch Children's Research Institute, *Submission 29*; Social Policy Research Centre, UNSW, *Submission 8*, p. 1; NCEPH, Australian National University, *Submission 38*, p. 4 (n. 1); Australian Council of Trade Unions, *Submission 56*, p. 5; The Parenthood, *Submission 61*, p. 5.

10 Goodstart Early Learning, *Submission 47*, p. 5.

11 Australian Council of Trade Unions, *Submission 56*, p. 5.

12 PricewaterhouseCoopers, 3 September 2013, *Revealing child care's hidden value: Press Release*, <http://www.pwc.com.au/press-room/2014/childcares-hidden-value.html>

13 Independent Inquiry into Insecure work in Australia, 'Lives on Hold Unlocking the Potential of Australia's Workforce' (2012), p. 4.

sure that we get people out of the home and engaging, but of course more engaged as parents in the learning of their children.<sup>14</sup>

1.18 Women are also more likely to be employed in insecure work arrangements.<sup>15</sup> It is therefore women, and women headed households, who will be most disadvantaged by the reforms in this bill. Labor Senators therefore argue that this test is too complex, too harsh and will discourage many parents, many women, from returning to the workforce.

1.19 In the joint submission from the Women and Work Research Group (of the University of Sydney) and Work + Family Policy Roundtable, the groups argue that the creation of more stringent work or training requirements to access care impinges on the inclusivity of early years education, and reduces accessibility for parents with intermittent or casual working conditions. They also argue that the approach proposed by the Government ignores the value on early learning in building and strengthening the development of children's early cognitive, social and emotional development.

1.20 There exists significant evidence that participation in high-quality early learning is beneficial for all children, and improves development and school readiness.<sup>16</sup>

1.21 Goodstart Early Learning, in submission to the committee refer to OECD data and significant international studies demonstrating the correlation between increased literacy and numeracy skills for primary school students and greater interaction with Early Childhood Education and Care.

A growing body of research recognises that early childhood education and care (ECEC) brings a wide range of benefits, for example, better child wellbeing and learning outcomes as a foundation for lifelong learning; more equitable child outcomes and reduction of poverty; increased intergenerational social mobility; more female labour market participation; increased fertility rates; and better social and economic development for the society at large. But all these benefits are conditional on 'quality'.<sup>17</sup>

And:

International studies in literacy and numeracy of primary school children have also found higher test scores for children who attended 3 or more

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14 Birmingham, Simon (Senator) 5 February 2016, *Interview - RN Drive - Patricia Karvelas*, <http://www.senatorbirmingham.com.au/Media-Centre/Interview-Transcripts/ID/2944/Interview--RN-Drive--Patricia-Karvelas>

15 Independent Inquiry into Insecure work in Australia, 'Lives on Hold Unlocking the Potential of Australia's Workforce' (2012), p. 21.

16 Melhuish, E., et al. (2015), 'A review of research on the effects of early childhood education and care (ECEC) upon child development', Brussels, European Commission, pp 25-38, <http://ecec-care.org/>; Goodstart Early Learning, *Submission 47*, p. 11.

17 OECD, 'Starting Strong III: A Quality Toolkit for Early Childhood Education and Care', 2012, <http://www.oecd.org/edu/school/startingstrongiiiaqualitytoolboxforearlychildhoodeducationandcare.htm>, in Goodstart Early Learning, *Submission 47*, p. 11.

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years of pre-primary education. Again, Australia was one of the countries with the lowest levels of participation in early entry to pre-primary education. Further, a long-running study of the educational experiences of children in England recently reported that 16 year olds who had attended more than two years of quality preschool (compared to none) scored on average 51 points higher on their final GCSE exams, which is the difference between getting eight 'B' grades versus eight 'C' grades.<sup>18</sup>

## **Impact on vulnerable children and Indigenous Services**

1.22 The Explanatory Memorandum to the bill recognises access to early childhood education and care as 'one of the most effective early intervention strategies to break the cycle of poverty and intergenerational welfare dependence'.<sup>19</sup> Unfortunately this does not appear to be adequately reflected in the bill.

1.23 Vulnerable and disadvantaged children have the most to gain from early education; we do not want to see them worse off. The new activity test presents an additional administrative burden on already vulnerable families that will act as a barrier to accessing quality early learning for their children, and possibly act as a disincentive for women to return to paid work.<sup>20</sup>

1.24 There is strong evidence that children from disadvantaged backgrounds benefit most from access to early learning.<sup>21</sup> ABS data on preschool attendance shows that children from non-working households were five times more likely not to attend preschool as children from households where both parents work.<sup>22</sup> Labor Senators argue that we should be increasing the accessibility to ECEC for vulnerable families, rather than decreasing that access.

1.25 A PricewaterhouseCoopers report in 2014 found that the long-term gains in productivity from children who participate in quality child care when they enter the workforce are even greater than the gains from increased workforce participation from their parents. When looking at children in disadvantaged families who were receiving no formal early childhood education, engaging them in early childhood education and care would boost Australia's GDP by a further \$13.3 billion by 2050.<sup>23</sup>

1.26 The Parenthood presented evidence to the committee demonstrating that at least one in ten families surveyed said they will not meet the new activity test and will therefore likely need to pull their children out of early learning.<sup>24</sup>

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18 Goodstart Early Learning, *Submission 47*, p. 11.

19 Explanatory Memorandum, *Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015*, p. 6.

20 The Parenthood, *Submission 61*, p. 1.

21 Productivity Commission, 'Childcare and Early Learning Report', 2014, p. 180.

22 ABS cat. No. 4402 Childcare Education and Care Australia, June 2014.

23 Price Waterhouse Coopers, 'Putting a value on early childhood education and care in Australia', 2014, <http://www.pwc.com.au/publications/early-childhood-education.html>.

24 The Parenthood, *Submission 61*, p. 4.

1.27 Treating early education and care as a national economic priority is not just about getting parents into the workforce – it is also about acknowledging the substantial benefits which come from investing in our children. Children who attend quality early education go on to do better in school, in employment and in life.

1.28 The Murdoch Children's Research Institute's Centre for Community Child Health argue that;

... children who have poor experiences in early childhood and arrive at school developmentally vulnerable have higher rates of abuse and neglect, early mental health problems, conduct problems and poor health and nutrition, all of which lead to longer-term problems in adulthood and thus the cycle of disadvantage is repeated.<sup>25</sup>

And:

In the long run, significant improvements in literacy, numeracy and other skills are unlikely without substantial investment in early learning.<sup>26</sup>

1.29 Goodstart Early Learning, a peak body in the ECEC industry, argue:

The 23 per cent of Australian children who start school developmentally vulnerable represents a significant long- term diminution of Australia's future human capital potential.<sup>27</sup>

1.30 Locking children out of the benefits of early education is short-sighted and shows a lack of understanding about the enormous economic and social benefits from having children access quality early education.

1.31 Children with Disability Australia (CDA) (now Children and Young People with Disability Australia (CYDA)) presented evidence to the committee on the impact the changes would likely have on children with disability who already face significant barriers in accessing early learning services. They argue that the bill lacks consideration of the needs and circumstances of children with disability and families.

Families of children with disability are sometimes referred to as carers as they provide unpaid care and support to their child. Available statistics show carer workforce participation is much lower than the rest of the community. CDA members frequently report difficulties with gaining and keeping employment. Many families report a strong desire to undertake paid employment. The overwhelming lack of care options for children with disability creates a barrier to achieving this.<sup>28</sup>

1.32 Further to this, Labor Senators argue that provisions in the Bill regarding the Additional Child Care Subsidy (ACCS) for children at risk of experiencing abuse and neglect (of which children with disabilities face a higher risk in general) require

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25 Murdoch Children's Research Institute, *Submission 29*, p. 1.

26 Murdoch Children's Research Institute, *Submission 29*, p. 1.

27 Goodstart Early Learning, *Submission 47*, p. 1.

28 Children with Disability Australia, *Submission 35*, p. 3.

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clarification, and key definitions regarding the payment of this subsidy should be contained not in the *Minister's Rules* but in the explanatory memorandum of the bill.

1.33 It is also worth noting that in its current wording, the bill leaves open the possibility that a child in the child protection system who has access to the Additional Child Care Subsidy (at risk) might not have all their child care costs met by the Government. Labor Senators argue that this leaves children in the child protection system worse off under the reforms.

1.34 Labor Senators also have particular concerns regarding the replacement of the current Budget Based Funding program, which provides block funding to Aboriginal children's services (and some other services) with mainstream, user pays models, and the impact the government's changes will have on Indigenous children and families who access these services.

1.35 Currently, approximately 240 *Budget Based Funded Services* and 38 *Aboriginal and Torres Strait Islander Children and Family Centres* provide focused and community based early years services for Indigenous children, in addition to a number of mainstream services. These are developed and operated consistently with evidence on what works to support positive outcomes for Indigenous children experiencing vulnerability.<sup>29</sup>

1.36 These services are often small and in remote locations and have given evidence that they would not survive in a mainstream model. Many have extensive waiting lists, and are already under pressure from their communities.<sup>30</sup> They are not financially viable without ongoing support, but for many Indigenous children they are the only available early education service. Many provide a base for the entire family to access services and engage with the community.<sup>31</sup>

1.37 Indigenous children comprise just 2.9 per cent of children participating in early childhood education and care programs, despite making up 5.5 per cent of the population.<sup>32</sup> The Productivity Commission has identified that 15 000 more early education places are needed for Indigenous children.<sup>33</sup> Labor Senators argue that the Government should create more services – not less.

1.38 The Secretariat of National Aboriginal and Islander Child Care (SNAICC) using data analysed by Deloitte Access Economics (DAE) in their submission to the inquiry argue that;

...when the eligibility requirements for the CCS are taken into account, including the activity test and the reduction in the minimum entitlement for

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29 Secretariat of National Aboriginal and Islander Child Care, *Submission 65*, p. 9.

30 Secretariat of National Aboriginal and Islander Child Care, *Submission 65*, p. 9.

31 Secretariat of National Aboriginal and Islander Child Care, *Submission 65*, p. 10.

32 Productivity Commission, *Child Care and Early Childhood Learning*, Report No. 73, October 2014.

33 Productivity Commission, *Child Care and Early Childhood Learning*, Report No. 73, October 2014, p. 525.

low-income families, access to subsidised hours for many vulnerable families is significantly reduced and funding received by services is, on average, materially lower than current levels.<sup>34</sup>

1.39 DAE concluded that:

Without additional funding from alternative government revenue streams, such as grants under the IAS, it could be expected that services will increase fees, reduce their size and/or reduce staff numbers in order to remain viable. In addition, wrap around services which are provided to encourage increased engagement in early childhood services, and provide other community services, may also be reduced. Each of these measures may adversely impact on the level, nature or quality of services provided to Aboriginal and Torres Strait Islander children and families.<sup>35</sup>

1.40 Labor Senators support the arguments submitted by SNAICC with regard to the impact on Indigenous and remote families and communities. We commend them for their efforts in analysis of the Bill, and implore Government Senators to more closely analyse the impact on these communities.

## **Conclusion**

1.41 Labor Senators believe that the additional investment is poorly targeted to achieve policy outcomes.

1.42 One in three families will be made worse off by these changes. Many of those families will be worse off are those marginally attached to the workforce, or seeking to engage with the workforce. The proposed activity test will make workforce participation more difficult for many families. The Bill will not limit out of pocket costs for families, or put a cap on rapidly rising fees – it will only limit cost to government.

1.43 The Government simply has not convinced Labor senators of this committee of the policy merits of their child care changes, and of the merits of this Bill. We also note research from the Australian National University (ANU) commissioned by the Early Childhood Australia that found one in three families would be worse off under the bill, and the inability of the Government to argue against the accuracy of these figures.

## **Recommendations**

**Considering the evidence presented to the Committee, Labor Senators recommend the following amendments to the Bill:**

- 1. Ensure that vulnerable children, or children at risk of abuse, not be worse off under the reforms;**

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34 Secretariat of National Aboriginal and Islander Child Care, *Submission 65*, p. 3.

35 Deloitte Access Economics, 'Impact of the Child Care Assistance Package on Indigenous Communities', 2016, Commissioned by the Secretariat of National Aboriginal and Islander Child Care, p. i.

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2. Ensure that families in Aboriginal and Torres Strait Islander communities not be worse off under the reforms by establishing an Aboriginal and Torres Strait Islander community based program within the new Child Care Safety Net;
  3. Ensure volunteering is treated similarly to paid work or study under the activity test;
  4. Ensure provisions are made to ensure casual and seasonal workers are not disadvantaged by the activity test by including appropriate averaging and transitional arrangements, and including a six week 'exceptional circumstances' exemption; and
  5. The Government should provide modelling showing the longer term impact of the proposed benchmark price on the proportion of ECEC costs borne by parents and its impact on out of pocket costs. The Government should structure the child care subsidy more effectively to limit out of pocket costs for parents.

**Further, Labor Senators recommend that the government:**

6. Expand the Explanatory Memorandum to address key definitions (particularly with regard to abuse and neglect) pertaining to subsidies and payments;
7. Extend the Ministerial Advisory Council on Child Care and Early Learning to include key stakeholders and peak bodies in the industry;
8. Review internationally recognised research on the returns on investment that public expenditure on early learning brings, ensure ECEC in Australia is in line with OECD best practice, and make sure levels of investment in early childhood are consistent with the best outcomes for children and the community; and

9. **Immediately release to the public all data, research and evidence used in developing the legislation – including complete details of the impact the changes will have on families - so that the Senate can make a more informed assessment of its impact on all Australian families.**

**Senator Sue Lines**

**Deputy Chair**

# **THE AUSTRALIAN GREENS' DISSENTING REPORT**

1.1 The Senate Inquiry into the Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015 (the Bill) received 143 submissions from peak bodies and experts in childcare as well as members of the public. A substantial number of submissions raised concerns regarding this Bill, particularly in relation to the 'activity test', which were echoed in the evidence provided in the Public Hearing on the Bill on 4 March 2016.

1.2 Despite the evidence provided and concerns raised by these experts, the Chair's report has recommended that this Bill be passed.

1.3 The Australian Greens support the Bill's purported aim to 'improve access to the affordability of early childhood education and care' and welcome the committee's recognition that 'access to high-quality early childhood education and care is of substantial developmental benefit to children in addition to its role in helping to facilitate parents' workforce engagement'.

1.4 The Australian Greens are concerned, however, that the measures included in this Bill as currently drafted will not achieve these aims, and will in fact result in a number of families being unable to access childcare or receive reduced access to subsidised care.

1.5 The Australian Greens are concerned by the imposition of a minimum requirement of 8 hours of activity per fortnight in order to receive subsidised child care and note that a number of vulnerable families may not be able to meet this minimum requirement. The Greens are therefore concerned that a number of lower socio-economic and middle-income families will be ineligible for adequate levels subsidised childcare under this scheme; families that are not merely seeking access to child care for 'lifestyle reasons' as the Committee's report suggests.

1.6 The Australian Greens also recognise concerns that the proposed activity test inadvertently creates barriers to work for families where at least one parent does not have secure, regular employment and believe amendments are required to ensure the system is fair for parents engaged in irregular work and does not leave them with inadequate child care subsidy to meet their work commitments, or higher childcare costs. Without amendment, this activity test will present a barrier for new mothers trying to re-enter the workforce through casual and irregular employment. Without a minimum amount of childcare guaranteed, many parents will find it near impossible to take on extra hours of work.

1.7 The Australian Greens are also concerned that the Bill may have a detrimental impact on children from remote and rural parts of Australia, and in particular Aboriginal and Torres Strait Islander children. The Australian Greens refer to concerns raised by the Secretariat of National Aboriginal and Islander Child Care (SNAICC) in their submission and in their evidence provided at the public hearing, in particular:

- The proposed closure of the Budget Based Funding Program;
- The risk posed to the loss or reduction to the Aboriginal and Torres Strait Islander sector; and
- The increased cost of service delivery to remote areas, in particular for Indigenous communities.

1.8 The Australian Greens are further concerned that the introduction of the activity test will reduce access to subsidised childcare for vulnerable children and is counter to the acknowledged need to increase participation in early childhood services for Aboriginal and Torres Strait Islander children. The Australian Greens are disappointed to see these concerns have not been adequately addressed in the Chair's report, nor are they reflected in the Committee's recommendation, in particular in relation to the increased cost of service delivery to remote areas and access to children from remote and regional areas.

1.9 While the Australian Greens note the committee's reliance on the Additional Childcare Subsidy as an adequate measure to address these criticisms, the Greens reiterate the concern raised in the submission from Goodstart Early Learning, namely that the legislation requires further clarification to ensure this subsidy is able to genuinely meet the needs of vulnerable children. The Greens submit that clarification as to how the Additional Childcare Subsidy will adequately address the needs of vulnerable children, particularly those in remote or regional Australia, is required beyond what has been provided in the public hearing and by the Committee's report.

## **Conclusion**

The Australian Greens are concerned that the Chair does not appear to have appropriately responded to and addressed the concerns raised by the vast majority of experts regarding this Bill. There is a real risk that the impacts of a tougher activity test will further disadvantage families with irregular work hours and new mothers re-entering the workforce. Some of the most vulnerable children in our nation, particularly those from Aboriginal and Torres Strait Islander communities, will lose out if these measures are introduced unamended.

## **Recommendations**

**Recommendation 1:** The Australian Greens recommend that the activity test be amended to include an additional amount of base level subsidised childcare for all families that fall within the 0-8 hours of activity, so that all children have access to a minimum of 24 hours of subsidised childcare per week.

**Recommendation 2:** The Australian Greens recommend that an adequately flexible reporting methodology be adopted that allows all casual workers or part-time workers with irregular hours to estimate their expected activity and childcare needs, so as not to be disadvantaged by the activity test.

**Recommendation 3:** The Australian Greens recommend further detailed clarification be provided as to how the Additional Child Care Subsidy will meet the needs of vulnerable children, in particular children in remote or regional Australia, and Aboriginal and Torres Strait Islander children.

**Recommendation 4:** The Australian Greens recommend an amendment to include mechanisms for increasing childcare places where vacancy rates are critically low, creating barriers to parents being able to find affordable care.

**Senator Sarah Hanson-Young**



# **APPENDIX 1**

## **Submissions and Additional Information received by the Committee**

### **Submissions**

- 1 SDN Children's Services
- 2 Ms Robyn Paterson
- 3 Ms Helen Thomasson
- 4 Outback Mobile Resource Unit Inc
- 5 Ms Gai Lindsay
- 6 Campus Life Children's Services
- 7 Finance Sector Union of Australia
- 8 Social Policy Research Centre, UNSW
- 9 Community Child Care Co-operative (NSW)
- 10 Early Childhood Australia
- 11 Family Day Care Australia
- 12 Isolated Children's Parent's Association of Australia
- 13 Mission Australia
- 14 Brotherhood of St Laurence
- 15 NSW Children's Services Forum
- 16 Municipal Association of Victoria (MAV)
- 17 Crescent Head Community Pre-School
- 18 NSW Family Day Care Association
- 19 United Voice
- 20 Federation of Ethnic Communities' Councils of Australia (FECCA)
- 21 Ms Geraldine Chaplin
- 22 Ms Jan Barrett
- 23 Ms Gael Nash
- 24 Police Federation of Australia
- 25 Northside Community Service
- 26 Australian Community Children's Services
- 27 Ethnic Community Services Co-operative

- 28 Churches of Christ Care  
29 Murdoch Childrens Research Institute  
30 Department of Education and Training  
31 Local Government Children's Services Reference Group  
32 School of Early Childhood, Faculty of Education, Queensland University of Technology  
33 Queensland Children's Activities Network  
34 Early Childhood Management Services (ECMS)  
35 Children with Disability Australia  
36 Ms Maureen McGuire  
37 Carewest  
38 NCEPH, Australian National University  
39 World Vision Australia  
40 Ms Catherine Jones  
41 Contact Inc. and Mobile Children's Services Association of NSW Inc.  
42 Professor Guyonne Kalb  
43 The Antipodean Family Foundation  
44 Australian Children's Education and Care Quality Authority  
45 UnitingCare Australia  
46 The National Association for Multicultural and Ethnic Children's Services  
47 Goodstart Early Learning  
48 The Benevolent Society  
49 Anglicare Australia  
50 Central Australian Youth Link-Up Service  
51 Ms Carolyn McGuinness  
52 KU Children's Services (KU)  
53 Family Day Care Educators Association NSW Inc.  
54 Penrith City Children's Services Cooperative Ltd  
55 Northern Rivers Childcare Services  
56 ACTU  
57 Australian Services Union

- 58 Marninwarntikura Fitzroy Women's Resource Centre  
59 Adjunct Professor Eva Cox (AO)  
60 Ms Dana King  
61 The Parenthood  
62 Australian Council of Social Service  
63 Australian Human Rights Commission  
64 Australian Childcare Alliance (ACA)  
65 Secretariat of National Aboriginal and Islander Child Care  
66 Anti-Discimination Board of New South Wales  
67 National Foundation for Australian Women  
68 Community Child Care Association  
69 National Council of Single Mothers and their Children  
70 The Women in Work Research Group and the Work & Family Policy Roundtable, The University of Sydney  
71 Shop Distributive and Allied Employees' Association  
72 Vandra Agisilaou  
73 Australian Childcare Alliance  
74 Ms Paige Anderson  
75 Ms Kerry Baker  
76 Ms Claire Boyle  
77 Ms Valerie Butterworth  
78 Ms Sheralyn Campbell  
79 Ms Jenni Cragg  
80 Ms Linda Davison  
81 Ms Gloria Delahunty  
82 Ms Rebecca Devlin  
83 Ms Helen Fenech  
84 Ms Malissa Fishburn  
85 Ms Sarah Flack  
86 Ms Gretchen Gamble  
87 Yigit Gulsum  
88 Ms Elizabeth Hall  
89 Ms Julie Hawkins

- 90 Mei Huang  
91 Ms Michelle Jensz  
92 Ms Penny Markham  
93 Ms Emma Morrison  
94 Ms Sylvia Perez  
95 Dragana Petrusic  
96 Ms Emily Ruffin  
97 Ms Jane Sridaoruang  
98 Ms Lenore Symons  
99 Ms Carolyn Thompson  
100 Ms Robyn Willis  
101 Yong Zhao  
102 Mallee Track Health and Community Service  
103 Mrs Maria Aiossa  
104 Police Federation of Australia  
105 Early Learning and Care Council  
106 C&K - The Creche & Kindergarten Association Limited  
107 Ms Helen Fenech  
108 Ms Mary Petrovic  
109 Ms Mandy Moore  
110 Ms Annie Harris  
111 Ms Fabiana Uteda  
112 Ms Liz Mitchell  
113 Mr Stan Heilbronn  
114 Ms Anna Fairon  
115 Ms Jane Hyde  
116 Lesley Forrest  
117 Ms Leanne Geach  
118 Ms Jade Maddox  
119 Ms Colette Woodliffe  
120 Ms Megan Naylor  
121 Kendell Witt  
122 Ms Emma Slattery

- 123 Ms Judith Gatland
- 124 Ms Ruth HillNoble
- 125 Ms Amanda Wren
- 126 Phraneesha Cassey
- 127 Ms Tanya Newman
- 128 Ms Leonie Hinch
- 129 Ms Sunita Gaby
- 130 Ms Allison Stewart
- 131 Ms Candice Eldridge
- 132 Ms Sue Bradford
- 133 Ms Deanna Fearn
- 134 Ms Kym Cook
- 135 Ms Daisy He
- 136 Ms Claudia Morcilla
- 137 Ms Olivia Brooks
- 138 Ms Annette Davison
- 139 Ms Kristi Wilson
- 140 Ms Brenda Keevers
- 141 Ms Petra Mcloughlin
- 142 Ms Rebecca Burley
- 143 Ms Christine Flage

### **Additional information**

- Form letter received from 31 individuals

### **Answers to Questions taken on Notice**

- Answer to questions taken on notice from Canberra public hearing, 4 March 2016, provided by Department of Education and Training
- Answer to questions taken on notice from Canberra public hearing, 4 March 2016, provided by Department of Education and Training

### **Tabled documents**

- 1 The Parenthood – Opening statement, Canberra public hearing, 4 March 2016

- 2 Early Childhood Australia – Evidence Brief on Two Days of Subsidised Early Childhood Education and Care for all Children, Canberra public hearing, 4 March 2016
- 3 ANU Centre for Social Research and Methods – Distributional Modelling of Proposed Childcare Reforms in Australia, Canberra public hearing, 4 March 2016

## **APPENDIX 2**

### **Public Hearing**

***Friday 4 March 2016  
House of Representatives 2R1  
Parliament House, Canberra***

**Committee Members in attendance:** Senators McKenzie, Lines, Hanson-Young, Xenophon

#### **Witnesses**

AGNEW, Mr Dave, Branch Manager, Child Care Payments Policy, Department of Education and Training

ATKINSON, Ms Geraldine, Deputy Chairperson, Secretariat of National Aboriginal and Islander Child Care

BRISKEY, Ms Jo, Executive Director, The Parenthood

IRVINE, Associate Professor Susan, Early Childhood Australia

MITCHELL, Ms Gillian Mitchell, Group Manager, Early Childhood Strategy, Department of Education and Training

PALMER, Mr Bryan, Group Manager, Early Childhood Initiatives, Department of Education and Training

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

PEARCE, Ms Margaret, Group Manager, Early Childhood Care Support, Department of Education and Training

PHILLIPS, Associate Professor Ben, Early Childhood Australia

SUOMINEN, Dr Hanna, Parent Member, The Parenthood

SYDENHAM, Ms Emma, Deputy CEO, Secretariat of National Aboriginal and Islander Child Care

WILLING, Mr Jeff, Branch Manager, Legislation Reform, Department of Education and Training

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

WOODWARD, Miss Katie, Parent Member, The Parenthood