



# Childcare Alliance Australia

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## Policy concerns and recommended actions - updated July 2010

### Funding for families:

#### The Issues

- Due to bracket creep, the number of families who are receiving 100% Child Care Benefit has diminished. This, in turn, places intense demands on families. The increasing cost of living, such as fuel, electricity, food and rising interest rates or rents means that even though some families are above the minimum threshold they are still struggling to meet their child care expenses.
- The Government has announced it will help ease the cash flow crisis experienced by more than half of our parents who are eligible for the Child Care Rebate (CCR) by making this 50% parent subsidy payable in arrears, through the Child Care Management System, fortnightly rather than quarterly.
- This news is welcomed by eligible families but we advocate that the Rebate changes should be introduced considerably sooner than the July 01 2011 starting date to help the current cohort of families with children in Long Day Child Care.
  - The level of funding for the 0-3 years age group is not sustainable. The cost of providing quality child care for this age group is considerably more and changes to the child-staff ratios and staffing qualifications, under the COAG plan, will see costs escalate (by an average of \$13-\$22 a day per child) This in turn, will price many families out of high quality centre-based care altogether..
  - We are concerned these families will be forced to turn to unregulated and unaccredited backyard care instead.

#### Recommended Policy Action

- The current Child Care Benefit rate must be increased for all families (and the thresholds should be moved to capture more families).
- The current Child Care Benefit dollar rate must be significantly increased for all children and doubled for children 0 to 3 years. The current Child Care Benefit percentages must be adjusted to better reflect contemporary family salary circumstances. *45% of children are in families who do not receive the Child Care Rebate (CCNSW survey 2010) and these families must be considered.*
- The Government needs to abandon its 2010 budget measure to reduce the cap to the Child Care Rebate to \$7,500. This will hurt thousands of eligible families and nearly all full-time working mothers who are already at or over that cap.



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- It needs to ensure eligible parents are compensated for the cost impact of the National Quality Agenda reforms and the Modern Award (which will drive costs of child care up further for families).
- All parties must commit to delaying the introduction of the COAG NQA reforms (the initial legislation is due to be rushed through Victorian Parliament in August) until thorough consultation, based on analysis of impact at centre level, on families can be undertaken.

## Planning:

### The Issues

- There must be in place a planning system to ensure that centres are built only in areas of high need – not just where land is available at an affordable price or where developers build with no respect for community but just to 'build and flick'.
- Whilst we applaud the Government on its handling of the sale of the ABC Learning centres, minimising disruption and heart ache to the families, we are concerned that a proper planning scheme must be implemented now to ensure history does not repeat itself.

### Recommended Policy Action

- With current data available, we call on the Government to reinstate the process of directing planning.
- There is no need for a cap. There is only a need to direct development to areas of identified need if Child Care Benefit places are requested for the service.
- As an initial step, a taskforce of private and community centre operators and the Government should be established. Its main task is to identify the geographical areas of need and to ensure all planning for future centres is based on demand from families not land price and availability or the whim of a developer who has no respect for the community.
- Whilst this would be a Federal Government initiative, it could be project-managed through the Commonwealth's individual state offices as was done in the past and proved most successful.

## Inclusion Support Funding (for special needs children):

### The Issues:

- The Federal Government currently subsidises long day child care centres to help them to employ an additional childcare worker for children with special needs. This subsidy is currently set at \$15.74 per hour for a maximum of 5 hours per day. This additional employee often works



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directly and intensely with a child with special needs, allowing these children to access quality early learning programs often directed by Special Needs Professionals, and for their parents to have some respite.

- Further, many of these children have parents who work full time and require access to a quality long day child care centre for more than five hours a day.
- The cost to the average long day child care centre is a minimum of \$25 per hour because of the special skills and experience required of the employee and for far in excess of the allowed 5 hours per day to meet the needs of the family.
- This gap in both dollar terms and in hours required renders this service unviable although the majority of child care centre operators remain intensely committed to helping these special needs' children.

Whilst an application can be made to extend the hours of funding, our members report this is an extremely difficult outcome to achieve.

## Recommended Policy Action

- Commonwealth funding is required to ensure long day child care centres are supported to cover all of the hours that the child attends on any particular day and at the *actual rate of pay for that particular staff member and adjusted with national wage increases*.

## **Conclusion**

All of Australia's political parties understand the social and economic benefits which flow from investing in ensuring families have affordable access to Australia's world-class early learning and care centres. This investment will boost productivity and workforce participation.

We believe, if adopted by the incoming Government, our recommendations made above, and those in our 2010 Federal budget submission, will help realise these goals without burdening the taxpayer as there are substantial returns to government and the economy for every dollar spent on child care and early learning programs for children.

Importantly, these policy initiatives will ensure all children, regardless of where they live or what their socio economic background is will have access to affordable high quality early childhood learning programs as the spring board to formal education in our quest to build a better, brighter and stronger Australia.