Childcare Assistance Package 2015: Regulation Impact Statement Submission

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http://sydney.edu.au/business/research/wwrg
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Joint submission
The University of Sydney Business School Women and Work Research Group (the WWRG) & the Australian Work + Family Roundtable (W+FPRT) are making this joint submission on the Australian Government’s Regulation Impact Statement for the Child Care Assistance Package.

The Women and Work Research Group
The WWRG comprises academics from the University of Sydney Business School and the University of Sydney more generally who have an interest in research and policy development regarding women, work and family.

The WWRG provides a scholarly environment for enquiry into all aspects of women, work, employment, family and community. It aims to provide a bridge between academic and policy work so as to disseminate sound research in this area and assist the development of evidence informed policy and practice.

Through its well attended seminars, workshops and other events, the WWRG provides a forum to exchange ideas for those interested in these issues from the academic, business and policy-making communities. A number of members have a particular expertise in women’s labour force participation issues, parental leave, child care, flexible working and women’s pay and career patterns.

The Australian Work + Family Policy Roundtable
The W+FPRT is made up of researchers with expertise on work and family policy. Its goal is to propose, comment upon, collect and disseminate research to inform good evidence-based public policy in Australia.

The W+FPRT held its first meeting in 2004. Since then the W+FPRT has actively participated in public debate about work and family policy in Australia providing research-based submissions to relevant public inquiries, disseminating current research through publications for public commentary and through the media.

The W+FPRT is a network of 31 academics from 17 universities and research institutions with expertise on work, care and family policy. Its members and key principles are on its website.

Introduction
The WWRG and the W+FPRT both made submissions to the Productivity Commission on its Draft Report on Childcare and Early Childhood Learning. These are attached to this submission. We reiterate in this submission the main points we made there:

- The Early Childhood Education and Care (ECEC) system should be inclusive and not create stringent work or training tests for participation:
  - this will facilitate broad-based accessibility for children across all social and economic groups
taking the above approach would also acknowledge the value of ECEC in building and strengthening the development of children’s early cognitive, social and emotional development
this approach will also promote labour force participation by mothers and other carers including by those with access only to intermittent and casualised working conditions

- ECEC fees should be kept to a minimum as befits the social investment approach to early childhood education and care and so as to maximise affordability. The Premiers of States and Territories recently acknowledged the significant role which early childhood education plays in school outcomes¹

- Service quality should be sustained by strengthening and extending the National Quality Framework to regulate all forms of subsidised care. Improving and not decreasing staff qualification levels and prioritising low staff to child ratios are critical to delivering quality ECEC

- Good quality employment for all ECEC workers is fundamental to quality ECEC provision. In addition, professional qualifications for childcare workers makes visible to employers, parents and the wider community the complex and varied skills required to care effectively. The Productivity Commission noted in its Draft Report that particularly for younger children ‘nurturing, warm and attentive’ care is critically important to quality. Delivering such care consistently requires significant skills. Losing sight of this obscures the value of women’s professional care work.

In terms of the Regulation Impact Statement, the WWRG and the W+FPRT endorse the submission made by W+FPRT members Professor Deborah Brennan and Dr Elizabeth Adamson of the University of NSW.

In particular we highlight:
Reduction in access to subsidised childcare hours will occur where parents do not meet the revised work/training activity test. This reduction will effectively be from two to one days per week:

- This exemplifies the failure of the proposed implementation to seriously come to grips with the increasingly variable and erratic hours of work Australian workers undertake, frequently with short notice of the exact hours to be worked in a week or of changes to shifts.

¹ ‘Childcare must become early education, not babysitting, say premiers at COAG’, SMH, 26 July 2015
The children of those in the most insecure work with most variable incomes will have less access to ECEC services than is currently available to them.

Parents in insecure employment will be at risk of losing their childcare place when they are temporarily out of the workforce and unable to afford to pay for it.

The package prioritises access for families in better quality work that offers certainty of hours of work.

The proposed changes also mean that greater responsibility is likely to be placed on services to administer and keep track of parents’ activity and eligibility for subsidised hours of ECEC.

Given the government is reducing access to paid parental leave, mothers may start to return to work sooner after parental leave and demand for childcare for infants may increase from current levels where the proportion of the under 2s in formal care is 22 per cent. Anecdotally, availability of childcare for infants is of particular concern to parents already. An even greater shortfall of affordable infant care places may result.

Workforce matters
The WWRG & the W+FPRT are also concerned that the RIS makes no mention of workforce issues. It has failed to address the workforce implications of the proposed Childcare Assistance Package and the need for employment regulation to provide decent minimum standards for workers, including decent wages, to address barriers to the attraction and retention of qualified ECEC workers. Quality jobs are crucial not only for workers but also for the provision of quality ECEC and to ensure a sustainable ECEC sector.

Proposed cuts to family payments and paid parental leave
We regret that the childcare package is dependent on severe cuts to family payments and paid parental leave in order to be funded. As Brennan and Adamson note:

‘Low income families are expected to be the ‘lifters’ who fund the Childcare Assistance package, but many children in these families will be excluded from ECEC because their parents do not meet the activity test’

A more inclusive package needs to be devised recognising the value to society of children, their parents and the dedicated educators who work to provide ECEC services.

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2 ABS 2014 Childhood Education and Care, Australia, June 2014
Viewed 21 July 2015

3 ‘Push for increase in childcare funding for babies and toddlers to urgently address shortage’ SMH 25 March 2015:
http://www.smh.com.au/federal-politics/political-news/push-for-increase-in-childcare-funding-for-babies-and-toddlers-to-urgently-address-shortage-20150325-1m6hsp.html#ixzz3gTp3kwIJ
Viewed 21 July 2015