

# 2016 FEDERAL ELECTION POLICY PRIORITIES: ALL CHILDREN COUNT



**Australian Childcare Alliance**

ABN 74486086142

A Suite 6, 539 Highett Rd, Highett, VIC 3190

E [info@childcarealliance.org.au](mailto:info@childcarealliance.org.au)

P (03) 9532 2017 F (03) 9532 3336

[www.childcarealliance.org.au](http://www.childcarealliance.org.au)



# Australian Childcare Alliance (ACA) is calling on all parties to commit to early childhood policies and immediate investment. ▶

## Immediate increase in childcare assistance subsidies for families

### CURRENT SITUATION

The value of the Child Care Rebate (CCR) and Child Care Benefit (CCB) has steadily eroded over the last five years as a consequence of the continuing freeze on indexation. Members are regularly reporting families reaching the \$7500 CCR threshold only seven months into the financial year, forcing them to pay full fees for the remainder of the year; reduce the number of days of attendance per week; or withdraw their children altogether. The 2015-16 Budget highlighted a \$552m reduction in payments of CCR and CCB over the four years to 2017-18<sup>1</sup>, which is evidence of children already being withdrawn from the sector. With proposed reforms to the sector, including the introduction of new subsidies, not due to commence until July 2018, families are facing an affordability crisis for at least two more years without intervention.

### ACTION NEEDED

Immediately increase the Child Care Benefit hourly rate and income thresholds, lift the annual Child Care Rebate cap; and resume indexation of the Child Care Rebate. This would see the CCB hourly rate rise by 25% and the annual CCR cap rise to \$9000,. These changes should be introduced alongside the lifting of the freeze on indexation of the CCR as committed in the 2016/17 Budget<sup>2</sup>.

**Families are continuing to suffer the financial impacts of a freeze on indexation that has already lasted more than five years. This affects both the CCB, in terms of income thresholds; and the CCR, in terms of the annual threshold.**

## Ensure that no child is worse off in their capacity to access ECEC

### CURRENT SITUATION

Families who are eligible can currently receive Child Care Benefit (CCB) for a minimum of 48 hours per child per fortnight (24 hours per week). Proposed reforms to the sector could see this access dramatically restricted. ACA is extremely concerned about the impact that any reduction in the current ability for families receiving CCB to access subsidised ECEC would have on children across all of the five Australian Early Development Census domains<sup>4</sup>.

### ACTION NEEDED

Deliver policy and funding arrangements to ensure that no child is worse off in their capacity to access subsidised early childhood education and care. It is important that the sector is consulted with so that its views on the most effective way in which access is delivered to children is reflected in any policy position. This is especially important for those children who need it most.

**The preschool phase report from the UK's Effective Provision of Pre-School Education project<sup>5</sup> found that the benefits of preschool programs improve for children who attend for at least 15 hours per week, with even greater benefits for disadvantaged children.**

# capable of delivering quality and affordable early childhood education and care (ECEC) for families across Australia.

## Coordinated, strategic planning for early childhood education and care

### CURRENT SITUATION

Early childhood education and care services must meet a range of Local, State and Federal government requirements from development and planning to licensing to Child Care Benefit, fees and registration. These requirements are often duplicated, with little sharing of data and information between levels of government. There are examples of circuitous processes and onerous parking restrictions delaying the granting of service approvals in areas of high-need, and examples of service approvals being granted in areas where there is already significant over-supply. Despite current and projected demographics data being readily available, there is little evidence of a coordinated, strategic approach to planning for early childhood education and care services across Australia, with over-supply hotspots in most capital cities.

### ACTION NEEDED

Develop a coordinated, strategic plan for early childhood education and care in Australia, particularly in areas of over-supply. Local Environmental Plans must be reviewed and updated to ensure consistency with state and national regulations pertaining to early childhood education and care. Local Councils, State Departments of Planning and State Early Childhood Directorates must work with the sector to urgently identify planning barriers, inconsistencies and inadequacies to the delivery of quality, affordable and accessible early childhood education and care in Australia.

**There are already more than 15 333 early childhood education and care services in Australia and the number is rising steadily<sup>3</sup>.**

## Maintain the current commitment to an additional \$3 billion for ECEC

### CURRENT SITUATION

The 2015/16 Federal Budget earmarked an additional \$3.1 billion for the early childhood education and care sector. Given strong stakeholder and family support for reforms to the policy, legislative and funding arrangements for the early childhood education and care sector, it is important that this funding be maintained regardless of the nature of proposed reforms.

### ACTION NEEDED

Ensure the commitment to an additional \$3 billion for the early childhood education and care sector is maintained and delivered via sensible reforms to policy, legislative and funding arrangements capable of delivering quality, affordable and accessible ECEC to families and that these reforms are funded for within the budget and not by any other savings measures.

**There are more than 1.2million children across 833 120 families using approved early childhood education and care in Australia, approximately 53% of whom are in long day care.**



THERE ARE MORE THAN **1.2 MILLION CHILDREN** ACROSS **833,120 FAMILIES** USING APPROVED EARLY CHILDHOOD EDUCATION AND CARE IN AUSTRALIA, APPROXIMATELY **53%** OF WHOM ARE IN LONG DAY CARE. **39%** OF ALL **NQF**-APPROVED EARLY CHILDHOOD EDUCATION AND CARE SERVICES IN AUSTRALIA, AND MORE THAN HALF OF ALL LONG DAY CARE SERVICES, ARE PRIVATELY OWNED AND OPERATED.

[Department of Education and Training (2015), Productivity Commission (2016)]

## SUGGESTED READING

*NQF Snapshot Q1 2016*, ACECQA (<http://bit.ly/24W7BJJ>)

*Early Childhood and Child Care in Summary June Quarter 2015*, Department of Education and Training (<http://bit.ly/1TOdLgI>)

*Childcare should be focused on primarily on the needs of the child*, Frank Oberklaid, The Centre for Community Child Health (<http://bit.ly/1Eo186a>)

*The future of early childhood education and care services in Australia*, Frank Oberklaid, The Centre for Community Child Health (<http://bit.ly/1Eo186a>)

*Childcare and Early Childhood Learning*, Productivity Commission (<http://bit.ly/1q8c3w1>)

*Child Care Services in Australia: Market Research Report*, IBISWorld (<http://bit.ly/1uVAg1u>)

*Invest in early childhood development: Reduce deficits, strengthen the economy*, Professor James Heckman (<http://bit.ly/1qn3BJc>)

## References:

1. Commonwealth of Australia (2015) Budget 2015-16 *Budget Strategy and Outlook Budget Paper No.1*
2. Australian Government (2016) *Family Assistance Guide Version 1.185*
3. ACECQA (2016) *NQF Snapshot Q1 2016*
4. Australian Early Development Census (2016) *About the AEDC Domains*
5. University of Oxford *Effective Pre-School, Primary and Secondary Education*

