

# Childcare subsidy changes add red tape for families and providers <sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

**2013 seems like a very long time ago now. Barrack Obama was President of the United States and the idea of President Trump was a punchline in late-night comedy shows.**

We had three prime ministers that year — Julia Gillard, Kevin Rudd and Tony Abbott. And in opposition, the Coalition's main line of attack on Labor's childcare (early childhood education and care) policy was that it was drowning the sector in red tape.

What a difference five years makes.

Last Monday, the Coalition Government's revised Child Care Subsidy came into effect. Now, services and families are realising that, far from cutting red tape, the new system could indeed be described as "drowning" in it.

### What the Government has said

This probably comes as a shock to anyone who's listened to the Coalition talk about nothing but cutting red tape for the past five years and more.

Let's go back to Sussan Ley, the Coalition's first minister with responsibility for early childhood education and care. Here are just a few quotes on red tape:

"The child care industry has said loud and clear that Labor's increased red tape and regulations are some of the main reasons forcing them to raise fees and we're listening". *Sussan Ley, press release*

"The Coalition is committed to delivering more-affordable, accessible and flexible child care and cutting red tape will in turn reduce pressure on fees for parents. This is another step in our plan to address the unnecessary Labor red tape strangling child care centres and state and territory governments alike". *Sussan Ley, press release*

"I'm really feeling the frustration of the sector because every childcare roundtable I attend brings forward more examples of the dead hand of government regulation in a sector that absolutely doesn't need it". *The Australian*

Remember when Scott Morrison, now the Treasurer, was responsible for the sector? He had a lot to say about red tape too.

"We all know the present system is far too complex and bound up in a lot of red tape both for families as well as for providers and it is very difficult often for parents to navigate, let alone engage in the first place". *At an industry forum, May 2015*

The current Minister, Simon Birmingham, is also fond of saying how much he dislikes red tape and wants to get rid of it.

"[The Child Care Package] will reduce a lot of red tape for childcare providers so they can spend more time educating children and caring for young children". *AM, ABC Radio*

Red tape is "strangling" centres! The system is too complex! The dead hand of government regulation!

Surely after that sort of rhetoric the one thing this government would make sure their new system does is get rid of red tape, right?

### What the Government has actually done

Multiple providers have made submissions to the Government in the past two months on the increased regulatory burden that the new system brings. "CCC considers this a missed opportunity to remove red tape and ensure families have equal access to a less complex system," said the Community Child Care Association, while Early Childhood Australia told the Government that providers are struggling with the administrative requirements.

They're correct. The new system makes it harder for children and families to access a centre and for centres to manage their enrolment

when they do. Let's take a look at a few examples of the system the Government tells us is "simpler" and "less red tape".

The process above is just for a child to start their enrolment. And this assumes everything goes right — that myGov isn't down, that Customer Reference Numbers are quickly obtained, that families can access their enrolment notice.

Imagine if families had to go through this for their child to attend the primary school down the road?

Want to get your head around the new "simple" system? Check out this easy-to-follow guide from the Department of Education!

(And that's just page 1)

Families are already struggling, according to media reports, attempting to navigate an unforgiving and often broken IT system.

Studio 10 hosts Angela Bishop and Joe Hildebrand grilled Education Minister Simon Birmingham on their own difficulties and were assured that, as far as the Government was concerned, everything was going fine.

Angela and Joe's faces are those of every Australian family upon hearing that "everything is fine".

When pressed on how the new system reduces red tape, the only thing Simon Birmingham can point to is that Long Day Care services are no longer required to be open for a minimum number of hours.

But, as every service provider now knows, this one change has led to possibly the greatest administrative burden in the entire reforms.

Currently, services can mark a full day's attendance in mere seconds. Now, services must report the actual sign-in and sign-out times of every child attending every single day.

This can be accomplished with laborious manual entry or expensive equipment and software. Even with the software, service providers will still need to adjust missed sign-ins and sign-outs — as a parent regularly guilty of forgetting to sign in my own son, I know this will be work required every day.

This is without even mentioning PRODA. Or new Organisation IDs. Or Complying Written Agreements. Or Enrolment Notices.

That is just the red tape increase for services. For families, they are now required to meet the Government's arbitrary conditions for their child to access early childhood education and care — and do it using myGov and Centrelink, systems with a not-exactly-stellar record for managing claims and entitlements.

We know that trying to access the new subsidy has seen many families on hold with Centrelink, in long queues at Centrelink, or just throwing up their hands in frustration.

### **Saying one thing, doing another**

Some voices sounded the alarm as long ago as 2015. Professor Deborah Brennan and Dr Elizabeth Adamson highlighted the "unprecedented complexity" of the new system in a submission to the Government. They called it "out of step with the realities of modern life" and warned it would "confuse and intimidate" parents.

"We are baffled by the complexity and we are experts in the field," Professor Brennan told SMH.

Conservative governments do a great job of convincing the community that they are the slashers of red tape. The Child Care Subsidy is clear evidence of exactly the opposite.

While reforms to early childhood education and care in other countries are focused on more access for more children, particularly the most vulnerable, Australia's reforms are making it harder for everyone involved.

The Government should be held to account for increasing the administrative burden on families and the sector.

Because at the end of the day, the ones who suffer are the children.

### **Related link:**

**Region:** Australia and New Zealand <sup>[3]</sup>

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