

Snapping back to the childcare subsidy method is nuts. It should not be a system that profits ^[1]

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EXCERPTS

Despite the fact it costs Australia over \$8bn a year in subsidies, Australia's childcare system is so broken that when Covid-19 hit us, it was one of the first sectors the government needed to bail out. Mass closures of centres were on the cards.

A rescue package that gave childcare operators 50% of the government revenue they received in a pre-pandemic reference fortnight and access to jobkeeper payments was hastily rolled out. The package also gave families free childcare.

How did it work? For some childcare services, it worked as intended. They now had enough money to make it through to a post-pandemic world.

For others, it was a disaster. Family daycare and in-home care services were especially hard hit. It may be reasonable to ask businesses to front the cash to keep their staff on, but family daycare and in-home care educators are mostly sole traders. Asking women that already live on small incomes to live on dramatically smaller ones until their jobkeeper came through caused all manner of pain. Services that had a lot of educators ineligible for jobkeeper because of their visa type or because they relied mostly on casual employees have also barely survived.

Some services fell through the system completely. New services that started after the reference fortnight. Services run by local government or large charities, such as UnitingCare, that were ineligible for jobkeeper. Services that have maintained full occupancy have also struggled.

The government has been playing whack-a-mole with an exceptional circumstances fund but the childcare sector almost universally agrees the government's definition of an exceptional circumstance is way too limited.

And it was these services the package didn't work for who have railed the most against "free childcare". To them, free childcare for families has been funded by educators and services, not the government. They argue they could survive if they were able to charge those families that could afford it, fees as usual.

The government is under increased pressure as the flaws in the system become more obvious. Services are having to turn away mothers coming back from maternity leave and families that need additional days to match their work requirements because they can't afford the cost of caring for more children.

When the prime minister announced free childcare, he said he did not want parents having to choose between feeding their children and having their children cared for and educated.

"This virus is going to take enough from Australians without putting Australian parents in that position," he said.

His tune has now changed and he is ready for things to snap back. In the case of childcare, snap back is taking away the life raft before we have made it to land.

With 600,000 more people unemployed across Australia, snapping back to a subsidy method that provided only minimal access to those not in paid work, is nuts. Services will see their occupancy levels falling dramatically and will struggle once again to stay afloat. Asking families to snap back to paying large chunks of their income for childcare in a time when everyone is going to have to tighten our belts, is just not smart.

This is a chance to radically reform how we provide childcare in this country. We could design a system that really works to enable women as the primary carers of children to fully participate in the workforce, that isn't subsidised on the backs of the labour of its largely female, and grossly underpaid, workforce. A system that it is not set up in a way that allows shareholders, landlords and private equity investors to profiteer from its provision and above all one that provides our children with the early education and care they deserve.

This is a once-in-a-lifetime opportunity to get it right. Let's not squander the opportunity.

Let's start with a core fact. As a country we need our children to have the best start to their education possible. A gazillion pieces of research exist that say universal access to early education is the missing key. Especially when it is delivered by highly qualified and well-trained educators. When that early education is being provided to children, it can be accompanied by care in such a way that enables parents to participate in the workforce.

Most economically advanced countries have grasped this and provide their children with free or very low-cost early education and care.

Australia can do this too. And this is what we need to argue for: well-funded, high-quality education and care provided by highly qualified and well-remunerated educators and early childhood teachers. And the best way to do this? Make it free.

Make it free like it is now, but this time fund it adequately so that "free childcare" does not come at the expense of educators and services.

Make it free not because it's a crazy lefty idea with no precedent, but because this system already exists for children once they reach the age of five. Since the late 1800s children in Australia have been able to receive a free public education. But for some reason, even though we now know that the majority of a child's learning actually takes place in the first five years of life, this right has never been extended to our youngest children. Until now.

Early education and care advocates have long had fantasies of Australia providing play-based free early education and care to all children. The crisis of Covid-19 made this concept less fantastical. Free early education and care was not just possible, but absolutely necessary. It is still necessary. It needs to be a much better designed system than that hastily cobbled together by bureaucrats and politicians responding to the crisis, but it needs to keep existing.

It needs to exist because our children deserve the best education our country can give them. And there is no doubt that is one that starts early, that parents can afford and simultaneously allows their parents to work.

Having tasted free early education and care and having also found what life is really like trying to work from home with very young children underfoot, I'm willing to bet that parents will be aghast at any government that tries to remove their "free childcare".

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