

Building the workforce takes child care [NZ] ^[1]

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EXCERPTS

Belatedly perhaps, improving access to affordable child care is on the Government's agenda this year.

Outlining the programme to Parliament last week, Prime Minister Helen Clark said that the long-awaited family income assistance package in this year's Budget would address critical barriers to employment such as child care.

She cited the Organisation of Economic Co-operation and Development's survey of New Zealand last December. This said that while New Zealand's employment rate (the proportion of the working age population who are employed) was well above average, matching the OECD's best performers would go a third of the way towards the goal of lifting Kiwi incomes back into the top half of the OECD.

In short, much of the difference in female participation rates between New Zealand and the Nordic countries seems to be explained by their having fewer children and spending more on the ones they have.

A Department of Labour study that followed one group of unemployed people over four years in the mid-1990s - when the unemployment rate fell rapidly - found that 44 per cent were unemployed for at least one of those four years and 20 per cent for at least two.

A boost to child care and preschool education spending would be more use to that third of long-term beneficiaries who are sole parents on the domestic purposes benefit.

It notes that the income replacement rates which benefits provide for families with children are above the OECD average, but the Government does not regard them as generous or excessive compared to what is required to maintain a minimum acceptable standard of living.

But that is not an option for the majority of the long-term jobless because they are relatively low skilled or they cannot find or cannot afford child care," the OECD said.

The OECD says that if the primary goal is to boost work incentives then extra money should be closely targeted at the groups with the biggest labour market problems, such as sole parents and the long-term jobless, allowing a larger incentive to work to be given.

If on the other hand, more weight is given to income support, the more widely it is spread the lower the impact will be on each individual or household.

But a boost to child care would be a good start.

- reprinted from New Zealand Herald

Region: Australia and New Zealand ^[2]

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