

A 'nanny state' won't solve childcare problems^[1]

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EXCERPTS

The hard work and education of Australia's early learning teachers shouldn't be devalued by expanding childcare tax rebates to cover less qualified home nannies, writes Liam McNicholas.

According to leaks from the Productivity Commission's forthcoming draft report into Child Care and Early Learning, published by The Australian, it appears that the Commission will be recommending streamlining the two current childcare subsidies (the Child Care Benefit and the Child Care Rebate) into one payment, means-testing it to some extent, and allowing the rebate to cover the employment of nannies.

The ability to claim rebates or tax deductions for nannies has been a long-standing political football in Australia. The issue appeared to be dormant for quite some time during the previous Labor government as they worked on strengthening the existing formal childcare system through their ambitious National Quality Framework.

Labor's decision early on in its first term to raise the Child Care Rebate from 30 per cent to 50 per cent laid the groundwork for the issue to return many years later. Attendance in formal childcare skyrocketed, and currently sits at over 1 million children accessing some form of education and care service (primarily long day care).

This created fresh issues of both affordability and accessibility, which the then-opposition and now Government has consistently used to attack the ALP. This reached its peak during the 2013 election, with calls for nannies to be tax deductible. Abbott briefly flirted with the idea before handballing it to the Productivity Commission.

The issues surrounding subsidising the use of nannies are more complex than they initially appear. In some key areas, particularly metro Sydney and Melbourne, Australia does face an accessibility problem. Making it easier to employ an in-home nanny would seem like a relatively simple policy decision to address that.

But as is so often the case with Australia's childcare sector, this would be a short-term bandaid solution that would do nothing to resolve the fundamental problems facing the community on this issue.

Even with a rebate, nannies would still inevitably be the privilege of the well-off. This is an issue in a country rooted in egalitarian principles - even when those principles bend and flex in the appropriate political climate.

But the biggest issue would be the equating of a home nanny with the formal education and care sector. Having both essentially under the same system devalues the hard work, education and commitment of Australia's early learning teachers and educators.

Equating the teaching that now takes place under the National Quality Framework, which requires more qualified staff and higher standards of early learning provision, with the household duties of a nanny is a dangerous precedent to set.

Around the world, more and more countries and governments are recognising the need for investment in and strengthening of their childcare and preschool sectors. US president Barack Obama has made it a key policy for his second term, while a dramatic expansion of the UK childcare sector will be a major election issue in that country next year.

The Abbott Government's instruction to the Productivity Commission in its terms of reference clearly outlined that no extra funding of the sector would be made available. In global terms, this is a backwards and out-of-step restriction given that investment in early education is now seen as one of the most positive economic and social investments a government can make.

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Read online at The Drum^[2]

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