

Surprise! The Productivity Commission can't magically solve Australia's childcare woes ^[1]

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Source: Women's Agenda

Format: Article

Publication Date: 19 Feb 2015

AVAILABILITY

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EXCERPTS

The long awaited final Productivity Commission report into childcare has finally been handed down. As expected the PC doesn't identify one single silver bullet to fix the childcare woes of a nation. How could it?

The problems with childcare in Australia are many things, but simple they are certainly not. For a start there are many competing objectives at play.

The quality of early childhood education and care is absolutely vital. The benefits for individual children and the flow on economic and social benefits for the community make this clear.

Access to childcare can be a powerful lever to enhance workforce participation rates, particularly among women, and can thus boost national productivity. Affordability and availability are critical, however, in determining the utility of that lever.

There is some natural tension between quality which is paramount, and affordability, which is also paramount.

The fact demand for services is growing and that the sector is fragmented between commercial operators and not-for-profit operators makes the task of offering a universal childcare solution even more complicated.

Ascertaining how to best achieve the government's stated economic and social objectives with government funding in relation to early childhood education and care is no simple task. Who needs assistance most? When and how should assistance be offered? How is affordability determined? How can quality be improved? How should quality be assessed? How can the government influence affordability? How can the government influence availability?

These are among the issues the Productivity Commission considered. And at the conclusion of its consideration it recommends the government provide greater support to lower and middle income families by providing a single, means-tested subsidy for childcare.

Is it enough?

Not according to the National Secretary of early childhood union United Voice, David O'Byrne who says that the terms of reference limiting the funding envelope set the PC up for failure.

"The only way to fix the childcare crisis is to invest the entirety of the \$5.5 billion Paid Parental Leave Scheme into quality long day care," he says. "We stand ready to work with Scott Morrison to continue building an affordable, quality based, childcare system.

"The only way we can ensure families can access affordable, quality services is if the Government keeps its promise to redirect paid parental leave funds to the quality system of childcare services the majority of parents rely upon."

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Funding aside, the report doesn't appear to address the issue of availability, which is a legitimate hurdle for Australian parents returning to work. As Kate Ashmore asked on Women's Agenda in July of 2013: What good is a subsidy if you can't get a spot?

Earlier this year Lisa Bryant wrote on Women's Agenda: "The incoming minister has been given the contradictory goals of increasing the amount of childcare, whilst also making it cheaper and reining in the budget outgoings. How can anyone... possibly manage this panoply of aims?"

Bryant said the solution to Australia's childcare dilemmas was unlikely to be found in the PC report and suggested a simple, but radical, solution; approach childcare in the same way the government approaches school. Guaranteeing a position and funding for every child, is an idea we explored last year.

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There's no doubt it's radical but a problem as complex as childcare in Australia requires a radical solution. Tinkering around the edges isn't going to make much difference. The report itself concedes this on page 2 of the overview:

The Prime Minister himself stated the potential benefit of wholesale change in his National Press Club speech at the beginning of the month, citing the 2012 Grattan Institute finding that a 6% increase in women's workforce participation would generate an additional \$25 billion in GDP each year.

Of course that sort of return won't be possible without additional funding. But is that not a persuasive rationale for a bolder plan that will? To rethink childcare altogether?

What do you think?

Related link: Childcare and early childhood learning: Productivity Commission inquiry report ^[3]

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