## Tony Abbott's childcare changes will 'reduce access and add complexity' [1]

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Source: The Sydney Morning Herald

Format: Article

Publication Date: 3 Aug 2015

AVAILABILITY Read online [2]

## **EXCERPTS**

The childcare package at the heart of the Abbott government's May budget will diminish access to childcare services, reduce flexibility and introduce baffling complexity, experts have warned.

A submission to a government-sponsored industry consultation by Professor Deborah Brennan and Dr Elizabeth Adamson from the University of NSW says the much vaunted overhaul will not deliver what the government is promising.

The government claims the childcare assistance package will make the system "simpler, more affordable, accessible and flexible" but analysis by Professor Brennan and Dr Adamson found it would instead reduce access and flexibility and introduce "unprecedented" complexity.

Their submission said the package was "out of step with the realities of modern life" and threatens to "confuse and intimidate" many parents rather than support their workforce participation.

"We are baffled by the complexity and we are experts in the field," said Professor Brennan. "It will be really difficult for parents to navigate their way through."

Under the changes, several existing payments will be replaced by a single means-tested Child Care Subsidy from mid-2017. A tougher work activity test will be introduced to determine which families are eligible for childcare support and subsidies for home-based nannies will be trialled.

But Professor Brennan and Dr Adamson said the package would introduce a raft of regulatory demands never before seen in the childcare sector.

"It creates so many layers of red-tape I think it could virtually strangle the system," said Professor Brennan, who has researched and written extensively about Australia's childcare system. A Regulation Impact Statement on the package released by the government last month runs to nearly 100 pages.

The submission by Professor Brennan and Dr Adamson warns a complicated three-tier work activity test will make it more difficult for parents with insecure, variable or unpredictable employment to access childcare. Rather than promoting workforce participation Professor Brennan is worried the package will create barriers to work for those locked into insecure, part-time jobs and exclude many disadvantaged children from education in their early years.

"It is precisely the children who would most benefit from [early childhood care and education] that are likely to miss out because their parents do not meet the government's activity test," the submission said.

The childcare package – a showpiece of the May budget – will boost spending on childcare by \$3.5 billion over five years. Parents using accredited childcare with a family income of between \$65,000 and \$170,000 will be around \$30 a week better off. Those with higher incomes will, on average, continue to receive the same level of support.

Social Services Minister Scott Morrison said in a speech last month the package – that will lift federal childcare support to \$40 billion over the next four years – would be the "single largest investment in early childhood education and child care this country has ever seen."

But it is uncertain whether the package will win the support of the Senate because some crossbenchers oppose the Coalition's proposal to link it to family tax benefit savings.

The criticisms made by Professor Brennan and Dr Adamson were strongly endorsed by a separate joint submission by the Women and Work Research Group and The Work + Family Roundtable which represent many Australian academics with expertise in work and family policies.

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"A more inclusive package needs to be devised," the joint submission said.

-reprinted from The Sydney Morning Herald

Region: Australia and New Zealand [3]

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