

Childcare industry fears families worse off under Government changes^[1]

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EXCERPTS

Childcare providers are warning the most disadvantaged children could drop out of early education because of the Federal Government's planned funding changes.

Industry and parents groups are stepping up pressure on the Government to make changes to the package that was unveiled in May.

They are worried about a tougher activity test parents will have to meet before they qualify for subsidised child care.

Early Learning Association of Australia chief executive Shane Lucas said the Government was taking the wrong approach.

"We certainly think there could be many thousands of families that will be worse off under this package," Mr Lucas said.

"And we're very concerned about the notion of children being impacted because of effectively the actions or inactions of their parents.

"I think one of our concerns all along with the Government's approach to this issue is that it sees early learning and care as fundamentally a workforce participation issue for parents as opposed to how we see it as a great benefit for children."

The overhaul of the childcare sector includes a tougher activity test or higher standard parents have to meet to qualify for Government-subsidised care.

Parents have to be working, studying, training or volunteering for a minimum of eight hours a fortnight to qualify for any child care.

Lin Hatfield Dodds from UnitingCare Australia said she was concerned about the change.

"It seems to us to be an overly bureaucratic measure that's not going to work in the best interest of children," Ms Hatfield Dodds said.

"The test actually takes the focus away from the importance of quality services for children and instead it concentrates on how they'll be qualified or disqualified from care depending on their parents' or guardians' circumstances.

"We would rather have an activity test focused on the needs of the child."

Changes to affect low-income families

The package also includes changes for low-income families — those earning less than \$65,000 a year.

As it stands these families can receive 24 hours a week of subsidised child care without meeting any activity test, but the Government wants to halve that to 12 hours a week.

Samantha Page from Early Childhood Australia said that was not enough and she was worried children would leave the system.

"That's one of the concerns across the sector that families might drop out, that families with children who would most benefit might drop out," Ms Page said.

"For higher-income families that might choose to use in-home care arrangements like nannies — that's their choice, that's their right to choose, we're not trying to keep those kids in the system.

"The children we're trying to keep in the system are the vulnerable and disadvantaged children who really benefit from access to quality programs.

"What we'd like is for the Government to guarantee children access to at least two days a week to a quality program regardless of parental activity.

"And then for access above two days a week to be subject to the activity test. So we agree in-principle with an activity test but we think

children should get at least two days a week before that activity test is applied."

Activity test under the spotlight

As part of this process the Federal Government called for submissions on the impact of the proposals.

Most submissions identified concerns about the activity test because of the potential impact on children, including the New South Wales Government.

Its submission recommended the Federal Government review the activity test and the cut to minimum hours for low-income families.

It said the activity test "may impact on national efforts to ensure universal access to quality early childhood education" as some families who did not satisfy the activity test may choose to opt out of formal early childhood education.

The submission also said "reducing the minimum hours of subsidised care for vulnerable and disadvantaged children is inconsistent with universal access commitments".

Education Minister Simon Birmingham now has responsibility for child care as well.

Senator Birmingham said the changes were designed to ensure that extra funding met the needs of those most reliant on child care to juggle work and family life.

"For many, many Australian families child care is their ability to be able to balance work and family obligations and we're gearing the system to be able to give the greatest support to the families who need it most so that child care does not become the impediment or is not in future the impediment to people going back into the workforce or working more hours to support their family," he said.

Senator Birmingham said the Government was committed to providing early learning opportunities for all children before they started school.

"That's why we're investing more than \$800 million exclusively in pre-school activities for four-year-old children across the country to guarantee 15 hours of access to pre-school environment," he said.

He rejected the argument that 12 hours a week of subsidised care for low-income families amounted to only one day a week.

"Well when people send their children to school — if they're there between the hours of 9am and 3pm — that's six hours a day," Senator Birmingham said.

"So the idea that supporting children for 12 hours a week is less than or only equivalent to one day a week is quite ridiculous.

"And so people in the sector need to recognise and, if need be, adjust their business models to support those families who are looking to provide for their children for six hours a day or four hours a day over three days."

The Government plans to introduce the childcare legislation to Parliament before the end of the year and wants the new arrangements to apply from July, 2017.

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