

Indigenous children to be big losers in childcare package: Report

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EXCERPTS

Indigenous children will be big losers in the Turnbull government's new childcare package, according to research by Deloitte Access Economics.

The analysis, commissioned by the peak body for Aboriginal and Torres Strait children, finds more than 50 per cent of families currently accessing a government program mainly used for Indigenous childcare would face higher costs under the new plan.

It also finds the new package is likely to "significantly reduce access" to early learning for Indigenous children and threaten the viability of remote services.

The findings are disputed by Education Minister Simon Birmingham, who says Indigenous children will be better supported under the reforms and that the report "only looks at one element of a comprehensive package".

Deloitte says the childcare package, which was announced in last year's budget but is yet to pass Parliament, will impact Indigenous children in two key ways.

The first is that a program (the Budget Based Funding program), designed for areas where user-pays models for childcare are not viable, will be abolished. At the moment, 80 per cent of BFF services are for Indigenous children.

The second major impact will be the halving of subsidised access to services (from 24 hours to 12 hours a week) in the mainstream system for families who earn less than \$65,000. This group also involves a high percentage of Indigenous families.

Deloitte has found that 40 per cent of families who currently access BFF services would receive fewer subsidised hours of childcare than they do at the moment, with an average reduction of 13 hours a week.

It has also found that 54 per cent of families accessing BFF services will have an average increase of \$4.42 per hour in their out-of-pocket costs.

The Secretariat of National Aboriginal and Islander Child Care said that even though the government was also proposing a childcare safety net for disadvantaged families, it will not "adequately redress these outcomes".

In its place, SNAICC recommends a specific Indigenous program, higher subsidies for services in remote and Indigenous areas and up to two full days of subsidised care for families earning less than \$65,000 a year.

"We are really concerned that Deloitte Access Economics' findings show that key components of the package will significantly reduce access to early years services for Aboriginal and Torres Strait Islander children," SNAICC deputy chairperson Geraldine Atkinson said.

In its submission to a Senate inquiry into the new childcare package, the Department of Education said the majority of Indigenous children who attend childcare do so through the mainstream (non-BFF) system.

It says the BFF funding allocations are "inconsistent and lack transparency," adding it was the "right time" to bring the services involved into the new childcare system, due to start in July 2017.

Senator Birmingham, who is the minister with responsibility for childcare, said the new package would provide an extra \$3 billion in funding, which included \$178 million for additional subsidies and \$271 million for a community fund to support vulnerable families.

"Indigenous children will be better supported and provided with enhanced learning opportunities through the transition to the new fairer, simpler and more affordable and accessible child care system," he said.

"While I welcome all consultation and feedback, unfortunately this report looks at only one element of a comprehensive package – and

ignores the elements specifically designed to address concerns of disadvantage."

According to the Department, 104,1000 families earning \$65,000 will be better off under the new system, while 81,000 will experience no change and 52,100 will receive a reduced level of support.

-reprinted from The Sydney Morning Herald

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<https://childcarecanada.org/category/tags/accessibility>