

# Inquiry into the provisions of the Family Assistance Legislation amendment (Jobs for Families Child Care Package) Bill 2015 <sup>[1]</sup>

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**Source:** Secretariat of National Aboriginal and Islander Child Care

**Format:** Report

**Publication Date:** 24 Feb 2016

## AVAILABILITY

Full report PDF <sup>[2]</sup>

## Introduction

The Secretariat of National Aboriginal and Islander Child Care (SNAICC) is the national peak body for Aboriginal and Torres Strait Islander children. SNAICC provides research, policy development, resources and training support on early childhood development issues, and seeks to include the voice of members in relevant policy reform processes. SNAICC members include Aboriginal and Torres Strait Islander early childhood education and care (ECEC) services. In existence for nearly 35 years, SNAICC has a long and proud history of support to see change in the everyday lives of our children around Australia.

SNAICC appreciates the opportunity to provide information to the Senate Committee on the anticipated impact of The Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015 on Aboriginal and Torres Strait Islander children. This Bill is a critical opportunity to improve affordability and access to quality early learning for all of Australia's children, and particularly our most vulnerable. This is one of the most important legislative reforms to progress (or undermine) the Australian Government policy objectives to 'Close the Gap in Indigenous disadvantage'.

The Explanatory Memorandum to the Jobs for Families Child Care Package recognizes access to early childhood education and care as 'one of the most effective early intervention strategies to break the cycle of poverty and intergenerational welfare dependence.' This package could play a critical role in redressing disadvantage and changing the life trajectories of Aboriginal and Torres Strait Islander children – if it is genuinely aligned with this statement. The balance of the Package at this stage however is weighted heavily towards supporting working families at the expense of supporting access for vulnerable children.

The Jobs for Families Child Care Package significantly changes how ECEC services are provided to Aboriginal and Torres Strait Islander children. In particular:

(a) The Budget Based Funding (BBF) Program – the specific program designed for areas where a user pays model is not viable – will be abolished. 80% of services in this program are for Indigenous children. BBF services are expected to transition to the mainstream Child Care Subsidy (CCS) by July 2017; and

(b) Access to subsidized early childhood education and care services will be halved (from 48 to 24 hours per fortnight) for children whose families earn less than around 65,000 per annum and who don't meet the 'activity test'. Subsidized access will also be significantly reduced for families in under employment.

While positive changes are incorporated within the Jobs for Families Child Care Package, SNAICC is deeply concerned that the package will lead to significantly reduced participation in quality early learning of Aboriginal and Torres Strait Islander children experiencing vulnerability. It will also place the viability of many Aboriginal and Torres Strait Islander services supporting these children under threat, along with the diverse outcomes across child, family and community wellbeing and productivity that they contribute to.

These concerns have been confirmed by Deloitte Access Economics (DAE) who recently conducted significant research pro bono for SNAICC on the impact of aspects of the Jobs for Families Child Care Package on Aboriginal and Torres Strait Islander communities (see report attached as Appendix(1). Importantly, DAE conclude that: '...when the eligibility requirements for the CCS are taken into account, 4 including the activity test and the reduction in the minimum entitlement for low-income families, access to subsidized hours for many vulnerable families is significantly reduced and funding received by services is, on average, materially lower than current levels.'

DAE concluded that: Without additional funding from alternative government revenue streams, such as grants under the IAS, it could be expected that services will increase fees, reduce their size and/or reduce staff numbers in order to remain viable. In addition, wrap around services which are provided to encourage increased engagement in early childhood services, and provide other community services, may also be reduced. Each of these measures may adversely impact on the level, nature or quality of services provided to Aboriginal and Torres Strait Islander children and families.

These findings are deeply worrying and stand in direct contrast to the stated objectives of the Package and of Australian Government policy. The Child Care Safety Net should redress these issues, but is not constructed in a way which will achieve this. Further, there are a range of factors not taken into account in the DAE report that will increase the cost of child care to vulnerable families and reduce participation levels. This includes in particular the administrative hurdles and prescriptive requirements of the package.

SNAICC understands that this is a significant reform process that has required enormous effort. We support the efforts to date but are concerned that without these amendments, unforeseen policy consequences will undermine the objectives of this Bill. Further information must be made public to enable Members of Parliament to properly debate this Bill, and further measures are required to support access to quality early learning and ultimately transition to school, education, and workforce participation outcomes for vulnerable children. Aboriginal and Torres Strait Islander children, once again, stand to lose the most from these reforms. We urge the Senate Committee to closely critique how the Jobs for Families Child Care Package will impact these children and consider the balanced recommendations of this submission. With reasonably minor amendments and some clear, prescribed parameters for the Child Care Safety Net policy, a brighter future for our most vulnerable Australian children can be secured.

**Region:** Australia and New Zealand <sup>[3]</sup>

**Tags:** legislation and regulation <sup>[4]</sup>

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[1] <https://childcarecanada.org/documents/research-policy-practice/16/03/inquiry-provisions-family-assistance-legislation-amendment> <sup>[2]</sup>

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