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Productivity Commission Recommends Bold New Childcare Approach

Child Care New South Wales, the voice of the private long day care sector in NSW, has welcomed the release of the draft Productivity Commission report on childcare and early childhood learning, which recommends sweeping changes to the way in which early childhood education and care services are funded, structured and delivered in the future.

“The Productivity Commission has listened to the concerns of service providers and families alike in recommending the replacement of the current confusing and complex subsidy and rebate arrangements with a new, streamlined subsidy,” Child Care New South Wales President Nesha O’Neil said.

“It is not yet clear, however, what impact the means testing and ‘activity testing’ attached to the new subsidy will mean for families in NSW,” Ms O’Neil said. “Families in Sydney in particular are already faced with some of the highest costs of living, highest fees and longest waiting lists in the country, so we would be fundamentally opposed to an arbitrary, one-size-fits-all income threshold, as it would seriously disadvantage families.”

The Productivity Commission has recommended a single, child-based subsidy that is means and activity tested. The Commission has also recommended that some funds from the Paid Parental Leave scheme be diverted to early childhood education and care – a move that would be strongly supported by Child Care New South Wales.

“Whilst we appreciate the Federal Government’s position that the Paid Parental Leave scheme should be considered separately to this critically important inquiry, we urge the Abbott Government to reconsider this position, as the Productivity Commission has echoed the overwhelming feedback from our sector and families at our services that any proposed increase to Paid Parental Leave funding should be redirected to the early childhood education and care sector,” Ms O’Neil said.

Still on the issue of funding, Child Care New South Wales has strongly welcomed the Productivity Commission’s recommendation that Universal Access funding – which assists children in accessing a preschool program in their year before school – be provided to early childhood education and care services, regardless of service type.

“We have long been frustrated with the NSW Government’s steadfast determination to exclude families whose children receive a preschool program via long day care from accessing this funding,” Ms O’Neil said. “This report echoes the findings of the Brennan report which supports the funding for all children in the year before school.”

One of the other major reforms being promoted by the Productivity Commission is broadening the National Quality Framework for early childhood education and care – and its proposed new subsidy arrangements – to include nannies.

“We recognise that a range of early childhood education and care services is necessary for families to ensure their children can access services that best match their individual circumstances,” Ms O’Neil said. “However, we have consistently stated that if the same levels of subsidies are to be provided, all providers – including nannies – must adhere to the same high quality standards and requirements.”

“We will continue to work closely with all levels of government to ensure that Australian children have the best possible start to a lifelong love of learning in a safe and nurturing environment,” Ms O’Neil concluded.

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