

PARLIAMENTARY BRIEF (FED)

Jobs for Families Package or alternate childcare reforms (21 February 2017)

What is the Jobs for Families Child Care package?

- The Jobs for Families Child Care Package was announced in the 2016/2017 Federal Budget. The budget contained the promise to increase funding by more than \$3 billion to support the implementation of the Jobs for Families Child Care Package.
- The key elements of the Jobs for Families Child Care Package are:
 - The Child Care Subsidy which replaces the Child Care Benefit and the Child Care Rebate with a single, means tested subsidy.
 - The Child Care Safety Net which will provide targeted assistance to disadvantaged communities and vulnerable and at-risk children and their families through an additional Child Care Subsidy, a Community Child Care Fund and an Inclusion Support Program.

What is the Problem:

- Senator the Hon Simon Birmingham, Minister for Education and Training, show that more than 1 in 10 families will already be worse off without these reforms because they would already have spent their \$7,500 per child annual allocations only after 6 months in the calendar year due to the current costs of childcare.
- Families in the lowest income bracket will be negatively affected by the Jobs for Families package with their hours of subsidised access cut from 24 hours per week to just 12 hours.
- Children in the middle income bracket will receive no subsidised early education and care program when one parent does not meet the work activity test.
- The Package is focussed too narrowly on workforce participation and diminishes the long-term education outcomes for children afforded by access to quality Early Childhood Education

Current ACA NSW Activities:

- ACA NSW is consulting members and non-members to create a multi-faceted perspective on this issue.
- ACA NSW is a member of the NSW Department of Education's Early Childhood Education Advisory Group providing our advice and input.
- ACA and ACA NSW are engaging with Federal Ministers, Shadow Ministers and Parliamentarians and the Federal Department of Education to advocate the merits of the Package.

Assistance sought by ACA NSW:

- At least increase of the minimum number of subsidised access hours per week to 15 hours (if not more).
- In order to avoid the current 'no reform' since 2009, regular reviews of the Child Care Subsidy hourly rate cap which take into consideration the Consumer Price Index increase and other third party imposts such as service provider costs and Government regulatory requirements.

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- That all children of parents earning an income up to \$100,000 be eligible for the minimum level of subsidised access of at least 30 hours per fortnight to each early childhood education and care, regardless of their parents' ability to meet the Activity Test.
- That the Activity Test does not leave any of the children in the above bracket in a position where they cannot access subsidised care in an early education and care program.
- The complete list of ACA recommendations encompassing Administrative Burdens, Child Care Subsidy, Activity Test, Child Care Safety Net, Income Thresholds, Inclusion Support, Universal Access, the Decision RIS and the Nanny Pilot Program can be found on the ACA website in the February 2016 submission to the Senate Inquiry (<https://www.australianchildcarealliance.org.au/index.php/advocacy/submissions>)

About the Australian Childcare Alliance (ACA) NSW:

- ACA NSW is the peak body for privately owned early childhood education and care services in NSW.
- ACA NSW is registered as an industrial relations organisation with the NSW Industrial Relations Commission.
- ACA NSW members collectively represent approximately 1,000 long daycare services and supporting over 100,000 families.
- ACA NSW provides advocacy, policy and regulatory support and advice, member services and professional development for members across the state.
- ACA NSW is a member of the Australian Childcare Alliance alongside sister-state-bodies in Victoria, Queensland, South Australia and Western Australia.

How to contact ACA NSW:

- Dial 1300 556 330.
- E-mail nsw@childcarealliance.org.au.
- Visit 19 Fennell Street, Parramatta NSW 2150.
- For any further information, please visit www.nsw.childcarealliance.org.au.