

23 September 2016

Senate Education and Employment Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Email: eec.sen@aph.gov.au

Dear Committee Members,

Re: Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2016

Thank you for inviting submissions to assist your consideration of the proposed Jobs for Families Child Care Package. The Brotherhood welcomes many aspects of the package and the overall directions favouring low and middle-income households. However, we are concerned that some measures may have unintended consequences that limit opportunities for children from low-income families and contribute to disadvantage.

Participation in early childhood education and care may be further reduced for children in low-income households

There is a well-established link between quality early childhood education and success at school and beyond. While child care is crucial to support workforce participation, early childhood education plays a pivotal role in child development and wellbeing. Children from Australia's lowest income families currently participate in early childhood education and care at a lower rate than those from higher income families. This deficit contributes to a cycle of disadvantage.

The proposal to cut access to subsidised early childhood education and care to 12 hours per week (from 24 hours per week) for low-income families (earning less than \$65,000 per annum) who do not meet the proposed activity test will further reduce participation. In long day care services that charge daily rates, 12 hours may translate into just one day of care. This would effectively cut the current entitlement of two days of care (without meeting any activity test) in half. We are concerned that this measure:

- will increase the risk that children from low-income families will not meet developmental milestones at school entry, since they will have reduced opportunities to reap the benefits of early childhood education. This may have lifelong consequences
- ignores the strong evidence base that moderate levels (15–29 hours per week) of attendance in early education and care are associated with better developmental outcomes than lower levels of participation, particularly for children from socioeconomically disadvantaged households
- may shut families out of services that charge daily rates and require a minimum enrolment of two days per week.

We recommend that children from low-income families are supported to participate in early childhood education and care for a minimum of two days per week.

While we acknowledge budgetary considerations, this investment will pay long-term dividends by improving life chances for children from low-income families.

We note that the United Kingdom, in recognition of the value of early education, has introduced 15 hours per week of free pre-school education for children from their third birthday, and has recently extended this to two-year-olds from low-income or disadvantaged households. Similarly, New Zealand provides 20 hours of free early learning for 3–5 year olds and Ireland has recently introduced similar measures.

Precarious employment may cause precarious participation in early childhood education and care

Many parents we assist have a precarious attachment to the labour market, working varied and unpredictable hours in any given week because of their reliance on casual, contract or seasonal work. These families need access to regular, affordable child care. Flexible application of the activities test will be crucial to ensure that their children can continue to benefit from attending early education and care. Parents in irregular work need to maintain their childcare place, even in weeks when they are not working; otherwise they will not be able to take up work opportunities when they arise.

We recommend flexible application of the activities test for parents in irregular work, and provisions that ensure families facing unexpected changes to their circumstances have adequate time (at least six weeks) to make adjustments before their entitlement to the child care subsidy is cut.

Broadly defining ‘recognised activity’ will support participation

We are pleased that the Australian Government has indicated it will adopt a broad definition of volunteering for the purposes of the activity test rather than the narrower definition used for income support recipients. All forms of volunteering ought to be encouraged and recognised—including working in a school canteen, supporting children to learn to read and caring for a family member. Training and study (regardless of the level or type of course) and looking for work (regardless of whether a person is registered with a *jobactive* provider) should constitute recognised activities. It is also important for parents to be able to combine paid work with all other forms of recognised activity to satisfy activity test requirements.

We understand the details of recognised activities will be contained in a forthcoming Ministerial Determination, which the Committee ought to consider before making its report.

We recommend that participation is supported by broadly defining ‘recognised activities’ to include all forms of volunteering, studying/training and looking for work.

The Brotherhood stands ready to assist the Committee in its work. Please contact my office on (03) 9483 1327 if we can help further.

Yours sincerely,

Tony Nicholson
Executive Director