



# **Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill 2017**

Submission to Senate  
Inquiry

March 2017



## Introduction

***Australian governments commit to supporting the development and strengthening of early childhood education, to provide every child with the opportunity for the best start in life. (Melbourne Declaration)***

The Social Services Legislation Amendment (Omnibus Savings and Child Care Reform) Bill currently before the Senate is the result of a lengthy and protracted review process which has included over recent years a full Productivity Commission Inquiry, and two separate previous Senate inquiries. The current Bill has also attracted a range of welfare and payment reforms separate to the Early Childhood Education reforms.

This new Bill is being considered within the context of the ongoing implementation of the largest set of reforms to early childhood education and care ever undertaken in Australia, the National Quality Framework (NQF) reforms. This reform was undertaken by all States and Territories and the Federal Government as a commitment to ensure that Australia was not left behind international standards of quality early childhood education.

## Summary

Northside has a number of significant concerns with this Bill as it is currently structured, which are outlined in the following section. In summary:

- The Bill **severely restricts the right of children to access high quality early childhood education**, particularly those who would most benefit.
- The Bill, alongside other proposed Government reforms, would **adversely impact the ability of Aboriginal and Torres Strait Islander children to access high quality early childhood education**.
- While Northside agrees with the stated desire of the Government to streamline the current overly-complex funding arrangements for accessing ECE services, the measures proposed in the Bill seem designed to achieve this at the cost of **introducing additional and burdensome complexity and red tape for services**.
- The measures proposed, particularly the hourly fee, would lead to a **significant casualisation of the early childhood education profession**, undoing long-term attempts to raise the professional identity of their work.
- The Omnibus Bill **makes a complicated Bill even more complicated** by adding unnecessary and unrelated reforms to Newstart, Paid Parental Leave and other areas of Government policy.

## Children's right to access high quality early childhood education

Research has consistently shown the positive lifelong impact access to ECE can have on children<sup>1</sup>, particularly those experiencing vulnerable circumstances<sup>2</sup>. The proposed Activity Test will prevent the children most in need of attending a quality ECE service from being able to, shifting the purpose of ECE from supporting young children's learning and wellbeing to being purely a workforce participation initiative.

Northside strongly views ECE as every child's human right, and advocates for the circumstances of a child's family to have no impact whatsoever on their ability to access ECE. Access based on simplistic notions of "participation" in the workforce and economy will deepen existing inequalities in Australia.

Internationally<sup>3</sup>, the case for investing in ECE is leading to significant policy focus and programs targeted at improving access and affordability. It is disappointing to see Australia moving in the opposite direction.

## Access for Aboriginal and Torres Strait Islander children

The Government's broad policy reforms in this area, including aspects of this Bill, are particularly concerning regarding the likely outcomes for Aboriginal and Torres Strait Islander children and their families.

We refer to the Secretariat National Aboriginal and Islander Child Care (SNAICC), who have stated that:

*"We are concerned that the Australian Government – through fewer subsidised hours, less funding flexibility and no stable, long term funding under the Child Care Assistance Package – may deny many Indigenous children the benefits of integrated early childhood development services."*

The Government's stated aim of eliminating the Budget Based Funding (BBF) model and expecting those services to transition to the same funding model as mainstream ECE services is short-sighted and ignores the clear contextual requirements of these services. SNAICC state that this will inevitably see the closure of many of these centres, with the result that:

*"By excluding Aboriginal and Torres Strait Islander children from adequate access to services, the Government will diminish their potential to make a smooth transition to school, compounding the likelihood of intergenerational disempowerment and unemployment. Children will fall behind before they have even started school and suffer greater risks of removal into out-of-home care."*

## **Additional Administrative Complexity for ECC Services**

One of the key findings of the Productivity Commission Inquiry was the overly complicated and challenging nature of the funding streams to ECE, primarily through the dual Child Care Benefit and Child Care Rebate subsidies.

However, Northside welcomes the removal of the two different subsidies, to one that is paid directly to ECC services, we are very concerned that the detail of the new funding system actually reveals levels of administrative complexity that rivals, if not exceeds, the previous system this was designed to streamline.

The Activity Test will be challenging for families to monitor and communicate with services, and any change in a family's circumstances could drastically affect their fees overnight. As with many of the other proposals in this Bill, this will affect children and families experiencing vulnerabilities to a greater extent than others<sup>4</sup>.

ECE services are educational facilities – not spokespeople for Government departments. Explaining this system to new families, even before consideration of administering and monitoring it, will be an unreasonable burden on services – particularly stand-alone and similar services. Northside notes that administration is not a regulated role under the National Quality Framework, and should not be considered an integral part of educational and pedagogical practice.

The proposal to move to an hourly fee cap, and the shift to six-hour block funding, will severely undermine the current service delivery model for ECE. As an ECE provider, Northside shares the concerns of the sector in how this change can possibly be managed in an effective way that will not create significant access issues for children.

## **Significant Casualisation of the Early Childhood Workforce**

The measures outlined in the point above will also have a significantly damaging effect on ECE professionals. Put simply, the move towards six-hour blocks of ECE will mean the shifting of educators currently employed full-time to casual or part-time hours.

The impact of this on the ongoing campaign for professional recognition and identity, and recruitment of the best people to support children's learning in high-quality ECE settings, cannot be understated. The aims of the National Quality Framework (NQF) reforms can only be met by high-quality, well-trained and committed educators. This cannot be achieved without career certainty.

Northside is disappointed that in a Bill which the Government has consistently promoted as supporting job creation, it has failed to take into account the enormous impact on the important work of early childhood educators, who will change overnight from professionals to casual drop-in, drop-out workers. These challenges would take place in the context of existing stresses on recruitment and retention that currently affect the sector.

## Adding Additional Complexity to Already Complex Legislation

The recent decision of the Federal Government to tie up ECE reforms with a whole range of other welfare and payment changes is disappointing, and should be removed.

Northside is disappointed that a Bill that should be focused on improving Australia's complicated and challenging ECE system has been tied up with other measures that are not related, and should be considered separately.

### Further Reading

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<sup>1</sup> HighScope Perry Preschool Study (<http://www.highscope.org/content.asp?contentid=219>)

<sup>2</sup> The Abecedarian Project (<http://abc.fpg.unc.edu/>)

<sup>3</sup> 4 Big Benefits of Investing in Early Childhood Development (<http://heckmanequation.org/content/resource/4-big-benefits-investing-early-childhood-development>)

<sup>4</sup> Financing the Future: An equitable and sustainable approach to early childhood education and care ([https://www.sprc.unsw.edu.au/media/SPRCFile/Financing\\_the\\_Future.pdf](https://www.sprc.unsw.edu.au/media/SPRCFile/Financing_the_Future.pdf))