

Productivity Commission Public Inquiry into Childcare & Early Childhood Learning

Submission

INTRODUCTION

The National Foundation for Australian Women (NFAW) is a non-politically aligned, non-partisan feminist organisation which seeks to promote the advancement of Australian women in all spheres.

The NFAW welcomes the establishment of this inquiry, and views the opportunity for service users, workers, management, academics and others to make wide ranging submissions across a range of government policies and programs as offering a highly desirable fresh approach to women's workforce attachment issues as well to child health and development.

This NFAW submission has been developed in consultation with the Equality Rights Alliance and the Economic Security for Women Alliance, and draws on the knowledge base of the NFAW Social Policy Committee, as well as a wide range of earlier NFAW related studies, workshops, and commissioned research and opinion polling.

Terms of Reference 1

- *The contribution that access to affordable, high quality child care can make to:*
 - a. *increased participation in the workforce, particularly for women*
 - b. *optimising children's learning and development.*

The NFAW argues strongly that for Government to pursue a goal of increased workforce participation there needs to be a coherent whole of Government approach, bringing together policies of different portfolios - the principle is that of several necessary component policies, none of which in itself is sufficient to achieve the desired goal.

The critical elements of an integrated strategy to increase women's workforce participation are:

1. Industrial Relations policy- flexible workplaces which permit women and men to balance work and family responsibilities, guarantee of the right to request family leave as necessary.
2. Taxation and welfare transfer policy- structuring the interaction of tax and transfer policies to remove or modify financial disincentives for the second income earner to stay in the workforce.
3. Paid parental leave policy- equitable payments to the primary and secondary carer to enable them to take a break from work, to establish sound bonding with the newborn.
4. Access to affordable, good quality child care.

In the run-up to the 2013 Federal Election the NFAW published a series of comparisons of Labor and Coalition policies impacting women. One of these addressed women's workforce attachment, and

can be found at <http://www.nfaw.org/?s=election+2013>. Companion papers dealing in detail with child care policies and paid parental leave policies are at the same URL.

Put simply, there was little evidence at that time that any major political party had addressed or attempted an integrated policy approach to enhancing women's workforce attachment.

Provisional unpublished results of the Government's own commissioned evaluation of the existing Paid Parental Leave Scheme suggested that many women were not returning to work with their employers once their paid leave expired, as had been expected, because they could not find either any, or affordable child care¹.

Women consistently report that the most significant factor in their capacity to return to work after child birth, and to remain at work, lies in the availability of child care, and whether they make any net income gain after payment of fees, and loss of welfare benefits/transfers.

Our sister organisation Women on Boards conducted a survey in 2013 of over 1,000 of its members, and found that child care rated much higher on the list of desiderata than did the (then) Opposition proposal to expand the scale of paid parental leave benefits. The survey can be found at <http://www.womenonboards.org.au/news/media130829-survey.htm>

Maternal labour force participation rates are affected not only by taxation considerations, but also by educational level, earnings capacity and the need to purchase services to replace those the primary carer would normally provide – particularly childcare and other domestic services².

Women's labour force participation rates are highly elastic, particularly during the period when mothers are juggling child-rearing duties with paid work³. Consultations with women in Australia in 2011 indicated that although they are aware that family benefits will be withdrawn, the operation of the system is opaque and other direct and visible costs, particularly childcare, have a higher priority in determining the extent of participation in the labour force⁴; and access to childcare is a significant factor in female workforce participation rates⁵. Korpi et al.⁶ reviewed the effect of different benefit regimes – categorised as earner-carer, market oriented or traditional family – based on policies that facilitated labour force participation, increased fertility rates and assisted families to balance paid

¹ Personal communication

² Scutella, R. (2001). "Labour Supply Estimates for Married Women in Australia." *Australian Journal of Labour Economics* 4(3): 152 - 172, Taskforce on Care Costs (2006). *Where Are We Now: 2006 Interim review of the 2005 Creating Choice: Employment and the Cost of Care Report*. Sydney, Taskforce on Care Costs, ABS (2011). 6239.0, Barriers and Incentives to Labour Force Participation, Australia, July 2010 to June 2011. Canberra, Australian Bureau of Statistics.

³ Apps, P. (2007). "Taxation and Labour Supply." *Australian Tax Forum* 22(3): 89 - 116.

⁴ Coleman, M. and H. Hodgson (2011). *Women's Voices*. Canberra, National Womens Alliances.

⁵ Daley, J., C. McGannon and L. Ginnivan (2012). *Game-Changers: Economic Reform Priorities for Australia*. Melbourne, Grattan Institute.

⁶ Korpi, W., T. Ferrarini and S. Englund (2010). *Women's Opportunities Under Different Constellations of Family Policies in Western Countries: Inequality Tradeoffs Re-Examined*. *Luxembourg Income Study Working Paper Series No 556*. Luxembourg, Luxembourg Income Study.

work with family responsibilities. The findings indicated that family policies are more likely to impact on women without tertiary education, and that policies relating to work and care, including state provision of care services, have a higher impact than market-oriented policies.

The OECD has also reported that the benefits of moving into low-paid work vary between countries, and depend on childcare costs and other factors, including the tax-transfer system⁷. In some countries, including the UK, childcare costs can significantly reduce the net amount that a sole parent receives from working; in other countries where the cost of childcare is much lower, the labour market disincentive results from the tax-transfer system. Overall, however, variations in government spending on childcare costs are more significant than the tax-transfer system in explaining family poverty rates⁸. Further, there is no clear correlation between changes in family cash transfers and women's part-time employment rates throughout the OECD⁹. As work becomes more highly remunerated, the work incentive increases; for example, tertiary educated women have higher labour force participation rates¹⁰.

Indeed, we are confident that were the Government to modify its proposed changes to paid parental leave, so as to free up some of the proposed additional expenditure, and instead invest those \$ in the child care sector, there would result greater user satisfaction and measureable improved workforce attachment.

To this point we have discussed policies bearing on workforce attachment.

There are several other policy areas where child care services (including care services for the school age child, are of immense significance.

Some of these services meeting specific needs which go beyond what might be characterised as consisting of the 'core costs' of providing child care to be met by Government subsidy and parental fees will require additional funding. We have provided brief discussion at attachment A on Social Benefit Bonds.

The first of these concerns is educational achievement. The Commission issues paper notes a connection between NAPLAN results and earlier attendance at good quality ECEC. This has implications also for the quality of care services, as well as of pre-school services.

Many studies have shown there are significant benefits for Australian children who attend high quality pre-school programmes, ranging from school attendance, completion rates of schooling, and

⁷ OECD (2007). Benefits and Wages 2007. DOI : 10.1787/ben_wages-2007-en OECD Publishing.

⁸ OECD (2011). Doing Better for Families. doi: 10.1787/9789264098732-en, OECD Publishing.

⁹ OECD (2010). OECD Family Database. Paris, OECD Publishing.

¹⁰ Korpi et al above note 5; OECD (2012). Closing The Gender Gap: Act Now. doi: 10.1787/9789264179370-en, OECD Publishing.

better behavioural outcomes in class¹¹ and involvement, interest, motivation and concentration in the learning experience for both parents and children.¹²

However, the Melbourne Institute study¹³ was the first to quantify such advantages through the use of the Year 3 NAPLAN outcomes and makes a significant contribution to the policy debate.

Children who attended pre-school were 11 points higher for Writing, 19 points for Reading, 14 points for Grammar and Punctuation, up to 20 points higher in Numeracy on their NAPLAN scores than children who had had no formal child care/pre-school experience.

This research used data from the Longitudinal Study of Australian Children and NAPLAN over years 2004 and 2008 and included almost 3000 children. What such work demonstrates is that children who receive high quality child care/pre-school education in Australia with highly qualified teachers will be significantly advantaged throughout their schooling.

It is also important to note that scores were highest for children whose teacher had specialized in child care or early childhood education. The effects of having a pre-school teacher with a degree in early childhood education remain significant at the 10% level for Numeracy and Reading; and the effects of a Diploma qualified teacher remain significant.

Importantly, work done in Britain suggests that such educational gains are maintained and continue to be built on, until the child reaches their mid-thirties.¹⁴ It found that the 9% advantages in test scores at age 7 was still a significant 5% gain by age 16 and continued through until employment and wages at age 33.

What is clear is that there are substantial positive impacts of quality child care/pre schooling on later school and work attainments. This has benefits not only for the individual but for society as a whole. It also points to the need of qualified teaching personnel in the early childhood sector to ensure such developments can occur.

¹¹ Berlinski, S., Galliani, S. and Gertler, P. (2009) The effect of pre-primary education on primary school performance. *Journal of Public Economics*, 93(1-2), 219-234.

¹² Queensland Department of Education, Training and Employment (2013) Evaluation of the Early Years Centre initiative – Summary Report

¹³ Warren, D. And Haisken-DeNew, John P. (2011) *Early Bird Catches the Worm: The Causal Impact of Pre-School Participation and Teacher Qualifications on Year 3 NAPLAN Cognitive Tests* MIAESR, University of Melbourne.

¹⁴ Goodman, A. And Sianesi, B. (2005) Early Education and children's outcomes: How long do the impacts last? Institute for Fiscal Studies.

Another interrelated pair of policy areas of vast significance is sport and recreation, with health. Health authorities point out that Australia's overwhelming health problem is the increasing incidence of diabetes¹⁵, with Type 2 beginning to emerge even in primary school age children¹⁶.

According to Diabetes Australia, 'Children and adolescents most at risk of developing type 2 diabetes are those who are overweight or obese **AND** have any two of the following:

- blood relatives with type 2 diabetes
- an Aboriginal or Pacific Islander background or other high risk ethnic groups
- signs of insulin resistance diagnosed by the doctor.'

Obesity, linked to the increasing rate of diabetes is evident among children as well as adults. One in four children are obese¹⁷.

It is not unreasonable to draw the conclusion from these observations that child care services (including OSHC) ought also to include programs which promote healthy eating habits, which promote appropriate levels of physical activity, and which are particularly aware of the issues facing particular known populations.

Funding and staffing policies ought to be designed to take account of these important concerns. This requires a whole of government approach. See also attachment B.

The particular needs of children with disabilities, and of parents with a disability also need to be addressed.

Child care facilities should have accessible parking for parents with disabilities, and are supposed to prioritise access for parents with disabilities. It appears however that these requirements may not be fully understood and implemented. A de-identified case study is at attachment B.

Term of Reference 3

Whether there are any specific models of care that should be considered for trial or implementation in Australia, with consideration given to international models, such as the home based care model in New Zealand and models that specifically target vulnerable or at risk children and their families.

The Commission's issues paper briefly touches on the differing structures of management of ECEC in different Australian jurisdictions, and notes that Australia, compared with other OECD countries, has a larger private market in child care and that of approved child care services, around 40% are not for profit, around 60% are operated by providers with multiple services, and around 40% are stand alone.

There also exist a range of Commonwealth funding options to provide support to services and workers.

¹⁵ <http://www.aihw.gov.au/diabetes/>

¹⁶ <http://www.diabetesaustralia.com.au/en/NDSS-Content/Diabetes-Information-Sheets/type-2-Diabetes-in-Children--Adolescents/>

¹⁷ <http://www.aihw.gov.au/overweight-and-obesity/>

There are significant workforce issues (which will be no doubt be dealt with in details by others), not least is that outside the larger groups of providers such as some local governments, the Kindergarten Unions and the recently established Good Beginnings groups, there does not exist any structure for career progression, and general career movement within the sector. The relatively atomistic nature of the employers is one of the drivers for the current Government subsidies directed to program support and development. This contrasts adversely with the policies and programs for continuous staff development evidence in the health sector and the education sector generally.

Structural issues need to be addressed as well as giving consideration to funding model variation.

We note for instance that the 'French model' is based on local government management, while the New Zealand home based care models, whatever its strengths and weaknesses, uses the model of independent contractor carers working from a hub which does have professional staffing.

We note also the finding in the issues paper that there are frequent problems in Australia in developing services in remote or rural areas, or in ensuring that services are appropriate to meet specific needs.

To us this points in the direction of the Commonwealth as primary funder, in collaboration with States and Territories, developing some form of 'regional hub' service support structures, with capacity to initiate an appropriate range of local services, and financed to provide and coordinate appropriate staff continuous learning programs as well as career structures. Some of the existing service support funding programs could be rolled into this approach. Specific funding loadings may be necessary in areas where there is a high proportion of children with special needs, or particularly financially disadvantaged areas.

Such an arrangement would provide support and help to the smaller stand-alone services in ensuring standards are met, and would not preclude the maintenance of a mix of private and not for profit provider types in the region. Some existing organisations already providing these services to its affiliates, such as the Benevolent Society, or Kindergarten Unions or Good Beginnings, might be able to be contracted to establish new regional hub services.

Out of School Hours Care- possible Models

Out of School Hours Care, including vacation care, is extremely important in allowing parents to continue in work. The system is poorly developed, and the funding model does not encourage new services. We note that in a Ministerial Statement by then Prime Minister Rudd and Minister for Child Care Ellis in August 2013 announcement was made of news services to be co-located with schools, and which would receive an on-going administration and a set up grant in addition to fee relief. Subsequently these funds were withdrawn as savings in the MYEFO.

Our understanding was that the intention was to give organisers the flexibility to 'buy in' activities, rather than being responsible for all programs. We have earlier drawn to attention the issues of childhood obesity and rising incidence of diabetes. This type of funding offered by the Ministers would have facilitated links with sporting activities beneficial to increasing activity levels, and also to healthy-eating services and activities.

Children aged 9-11 are old enough to have a range of interests, and will not continue at such programs unless the activities are such as to engage and stimulate them. These can range widely. We point in particular to the programs run by Mrs Winifred Hanson,¹⁸ described also in a report on our web-site¹⁹ Out of School Hours Workshop Innovations in Supply. They range across archaeology, engineering, cooking....stimulating children's imaginations and developing skills.

We consider the linking of management of this type of approach to schools to have merit, given the facilities available to many schools, not least playing fields.

Terms of Reference 4

Options for enhancing the choices available to Australian families as to how they receive child care support, so that this can occur in the manner most suitable to their individual family circumstances. Mechanisms to be considered include subsidies, rebates and tax deductions, to improve the accessibility, flexibility and affordability of child care for families facing diverse individual circumstances.

In 2011 the Equality Rights Alliance and the National Foundation for Australian Women undertook a consultation process to establish issues of concern to women in the tax, transfer and superannuation systems; specifically in the context of workforce participation²⁰.

The consultation identified a range of issues of concern to women. Women with a stronger workplace attachment tended to accept that remaining in the workforce had benefits that outweighed the financial cost of child care and lost benefits. However women whose work experience was based on low paid, casual work showed lower levels of workplace attachment.

Within the tax transfer system women continued to identify child care as the most significant barrier to increased workforce participation. Although the overall system has improved, there are still regular reports of difficulties in accessing appropriate child care at an affordable cost. Although the changes to the child care rebate have reduced the out of pocket costs to parents, the annual \$7500 cap is seen as a significant barrier in locations where child care costs are higher. Government policy currently does not deal well with local variations in child care accessibility or costs.

The issues raised by women in the consultation in relation to child care were primarily:

- access to appropriate care;
- variable quality of child care services;
- understanding entitlements; and
- cost and tax deductibility of services.

This report informed the position that the ERA and NFAW took to the 2011 Tax Forum.

As a matter of principle, NFAW affirms that all women should have the opportunity to fully participate in the workforce to the extent that they choose to do so. Access to childcare is essential to allow women to make appropriate choices, regardless of social and economic circumstances. As a

¹⁸ <http://www.swisheducation.edu.au/>

¹⁹ <http://www.nfaw.org/what-we-do/social-policy/>

²⁰ Coleman, M. and H. Hodgson (2011). Women's Voices. Canberra, National Womens Alliances.

matter of equity, funding should be directed to give most assistance to families that are in most need. Accordingly we endorse a model that limits the out of pocket costs of low income and sole parent families to enable them to earn sufficient income to alleviate the risk of poverty. Subsidies should be based on providing a base level of service that meets the required quality NQF standards for education and care, regardless of the social or economic circumstances of the families that access that service.

The key recommendations that pertain to the funding mechanisms to improve the accessibility, flexibility and affordability of child care for families facing diverse individual circumstances are as follows:

1. Simplification of entitlements

The lack of understanding that many women have in relation to their entitlement is not surprising. The calculation of Child Care Benefit (CCB) entitlement is extremely complex, requiring consideration of the income and work tests, the type of care, the number of children in care and whether the child is a school age child. The entitlement to Child Care Rebate is consequential on CCB.

NFAW endorses the Henry Report, relating to the combination of CCB and CCR into a single benefit. This benefit should be

- Work tested, to prioritise access to families using child care to enable the parents to work, study or attend a training programme (recommendation 99);and
- Means tested, to ensure that the contribution from low income families does not exceed 10% (refer to recommendation 100).
- Benefits should also be available to families where access to child care will alleviate social or educational disadvantage.

2. Subsidies to Parents

CCB was designed to ensure that all families with children had access to child care. The means testing ensures that low income families, with income of less than \$41,902 or reliant on income support benefits, receive higher rates of assistance, while the work/training/study test provides a higher level of benefit to families where both parents are in work.

However the hourly rate, currently \$3.99 or \$0.66 per hour is well below the actual cost of providing childcare. Accordingly we recommend that the CCB rates be reviewed to reflect the real cost to a child care provider of providing services that meet the National Quality Framework, less a co-contribution from parents that does not exceed 10%.

The Child Care Rebate (CCR) has been offered in several forms over time. In its current form the rebate of 50% of out of pocket costs is capped at \$7,500 per child. Although this cap was intended to operate as a constraint on the cost of childcare, in practice it operates as a constraint on workforce participation. In the consultation it became clear that many families were either restricting their hours of work or accessing a combination of formal and informal care to allow them to work the hours that they required. This is particularly an issue for secondary earners in careers where the salary levels are mid-range.

This also results in an anomaly whereby high income earners working fewer hours can be subsidised to the same dollar value as lower income earners working longer hours, based on the cost of the service that they utilise.

Accordingly NFAW recommended that the cap be abolished, or if that were affordable that the value of the cap be reviewed and set by reference to local variations in the cost of childcare. If the system were simplified to combine the CCB and the CCR, as recommended above, the hourly rate would be an appropriate starting point.

3. Tax Deductibility and Fringe Benefits Tax Concessions

Many women are calling for tax deductibility of child care. Interviews with women have shown that these women believe that tax deductibility will result in a full refund of child care costs. In fact the current system provides more generous benefits than tax deductibility, as the rebate is higher than the highest personal marginal rate of tax. It also distributes the benefits more equitably, encouraging low income women into the workforce. Further, under the arrangements from July 2011 the rebate may be paid fortnightly to a child care centre, whereas tax deductibility would require either waiting until the end of the year or adjustments to PAYG deductions.

The availability of a Fringe Benefits Tax exemption for child care, facilitating salary sacrificing arrangements, has a distorting effect on the current child care system: both in terms of the extent of public subsidy and in the perceptions of women who do not have access to such schemes. Access to the concession is very restricted, based on an employer being able and willing to establish a child care centre on its premises²¹, although it also extends to payments made by an employer to a service to ensure priority access for employees²². It is also inequitable as it is not consistent to allow salary sacrificing arrangements in relation to a non-tax deductible expense; and it is also inequitable to allow an exemption in certain, very restrictive, circumstances while denying it to the majority of employees. However it has been argued that allowing the exemption encourages employers to consider the work/life balance of their employees.

Under the current system, the advantages to employees of salary sacrificing child care fees are limited. As discussed in the context of tax deductibility, the CCR may be higher than the tax advantages under FTB. However parents who would exceed the cap for the CCR do not face a similar restriction on the extent of salary sacrificed child care payments. We recommend that if the cap was to be retained, this anomaly should be addressed.

4. In-Home Care

When discussing the need for flexible and appropriate care some women called for subsidisation of the cost of a nanny, which can cost up to \$80,000 pa. Nanny care is currently classified as registered care, not approved care, and accordingly CCB is limited and CCR is not available. We see no good policy reason for excluding these parents from the same levels of subsidy available to their colleagues who use child care centres. However there are genuine concerns over quality control and the protection of all parties to these arrangements, including the nanny. Accordingly such

²¹ S.47(2) Fringe Benefits tax Assessment Act 1986

²² S.47(8) Fringe Benefits tax Assessment Act 1986

arrangements should include protections in relation to the quality of care, immigration laws and occupational regulations such as the industrial relations and occupational health and safety regulations.

A model of care such as that being adopted in parts of the UK, whereby in-home care is subsidised if provided through an in-home service provider would address these concerns. We note that most Nanny agencies act as employment brokers. These arrangements would not provide the same level of due care to the Nanny and the family as an accredited in-home service provider.

5. Subsidies to Childcare Providers

The provision of childcare in Australia has been increasingly market driven since the 1980s²³. The cost of providing childcare has increased significantly over this period, driven by implementation of the NQF; increased regulatory requirements and the need to achieve a fair rate of return to reinvest in the service and, in the case of commercial for profit providers to return to investors.

In earlier childcare programmes operating subsidies were payable to childcare services that met specified criteria. Under the current system subsidies are paid to the family, although in practice these are generally paid directly to the service with the family making up the shortfall. The cost to the revenue is regulated by imposing caps on the rates: both the hourly rate of CCB and the annual rate of CCR. However this has not been an effective limit on the cost of childcare as the effect of the caps is to push increases in childcare costs to the parents.

The model of paying subsidies directly to childcare services could be reviewed, particularly in the context of additional costs imposed under the NQF. Where a childcare provider meets additional fixed costs as a result of complying with particular regulatory requirements a subsidy could be available to a complying provider.

This submission has been cleared with the NFAW Board.

Marie Coleman
Chair, Social Policy Committee

²³ Brennan, D. (2008). Playing the Market: Public Agendas and Private Profits in Child Care. [Cross-Border Influences in Social Policy ESPANET 2008 Conference](#). Helsinki, Brennan, D., B. Cass, S. Himmelweit and M. Szebehely (2012). "The Marketisation of Care: Rationales and Consequences in Nordic and Liberal Care Regimes." [Journal of European Social Policy](#) 22(4): 377-391.

Attachment A

The Terms of Reference for the PC Inquiry provide that *the childcare and early learning system is based on appropriate and fiscally sustainable funding arrangements that better support flexible, affordable and accessible quality child care and early childhood learning*. Further, the government has sought options within current funding parameters. Given this budget constraint, there is a need to consider innovative and alternative funding mechanisms given the significant unmet demand for affordable childcare, particularly in disadvantaged communities.

One of these options which the NFAW would support further consideration of is piloting a social benefit bond (SBB) related to addressing particular areas of need in childcare. SBBs offer investors the opportunity to invest in outcome focussed socially worthy activities.

SBBs involve raising private capital for intensive support and prevention programs. The programs must be designed to deliver good results and achieve positive outcomes that ultimately result in savings for government. The savings achieved are then used to repay the principal and deliver a rate of return to investors.

SBBs present an opportunity to tap into new sources of finance for investment in early intervention and prevention programs. They are being trialled or piloted around the world including in the UK, US, Canada, Ireland, Israel and NSW.

The NSW government recently announced three SBB pilots. The Benevolent Society and Uniting Care Burnside have launched SBBs in out of home care and Mission Australia will deliver a SBB in recidivism. While very early days in the delivery of these SBBs, a few lessons can be gained from the design and development of these projects, which could inform consideration of a SBB in areas related to child care:

- The program must deliver outcomes and be capable of measurement. Mechanisms to measure outcomes are critical to gaining the confidence of investors but also demonstrating savings to government through independent auditing and an appropriate control group. An associated benefit of trialling SBBs will hopefully be improved cost benefit analysis of social programs.
- The provider arguably needs to be established and with a reputation for being able to deliver in the social policy area.
- The programs are likely to be longer-term in nature to see the desired outcomes achieved. Having longer term funding tied to those outcomes is a useful tool for social programs as they provide certainty for funding and clear outcomes to be achieved, but with scope to innovate in the delivery model.
- Financial expertise is necessary to ensure the cost of the program over the life of the SBB are covered and risks are managed.

- Not all areas will be suited to SBBs and further consideration needs to be given to whether interventions designed to support early intervention for disadvantaged children through childcare is suited to the SBB model. This relates to both the existence of an appropriate program and provider, but also whether a SBB could deliver any perverse social outcomes or risk program integrity.

It is not clear that SBBs are a more efficient source of funding for social programs and this question needs to be tested as pilots are delivered. Having said that, in an environment where cuts to funding for many important programs are likely, SBBs present a new source of funding when resources are critical. These circumstances currently exist in relation to the resourcing of childcare and consequently consideration of whether a SBB could fund program(s) designed to improve education and/or health outcomes through early intervention and quality education delivered through childcare in disadvantaged communities is worth considering further.

What child care services could a Social Benefit Bond fund?

Further consideration of effective programs and assessment of providers with the capacity to deliver a SBB in childcare is required.

One program in need of an ongoing funding source that could be considered is the Australian Government's **Budget Based Funded (BBF) services**. These services "provide early learning, child care and school age care services in approved locations where the market would otherwise fail to deliver these services or where there is a need for culturally appropriate services. BBF services are predominately located in rural, remote and Indigenous communities", where there is a particular need and higher levels of disadvantage. The funding is helping BBF services move towards meeting the National Quality Framework.²⁴

Around \$60 million over four years has been provided for the BBF services however future funding is subject to the review being undertaken of BBF services. Significant additional funding is required in the BBF services to meet the particular needs and improve outcomes for children in these services.

By targeting BBF services with investment raised through a SBB, funding would be directed to services with particularly disadvantaged children. Investing in these areas presents an opportunity to deliver the largest return on investment as the savings from early intervention and quality education are greatest if delivered effectively in disadvantaged communities.

The challenge of identifying an appropriate mechanism and provider of the services under such a SBB would need to be resolved. Potentially a consortium of providers could be considered or alternatively a major provider with an effective program in improving educational outcomes in disadvantaged communities could be identified to partner in the SBB.

²⁴ Australian Government, Department of Education, Employment and Workplace Relations, *The Budget Based Funded (BBF) Quality Measure*. Accessed at:

http://docs.education.gov.au/system/files/doc/other/bbf_qm_fact_sheet_july_2013_1.pdf

ATTACHMENT B

Case Study Provided through a Disabled Women's NGO

Parent with a Disability (she is in a stable partnership)

Letters to colleague

Dear....

Our childcare is now sorted. The Government's guidelines stating priority access to childcare for families where a disability exists are more than just guidelines. All childcare centres subsidised through the rebate system (and that's most of them in our city) have to comply with these guidelines. It was a shame we had to point this out. And even more of a shame that most of them didn't seem to know what we were on about. I was surprised our Centre hadn't been more forthcoming with the info given that they're part of XXX and that their CEO - has links with the disability sector.

As far as the housing goes, we're not actually looking for a house. As I said, we were essentially forced to leave public housing and we now live in an inaccessible place. Modifying a rental property is not an option. Nor is buying a house and spending the time undertaking major mods, feasible. Retro-fitting is always more expensive and usually doesn't get the access you really need. We have no choice but to build. We already have the mortgage on the land and are working with disability architect to make sure everything is as right as we can make it - and afford. However the whole process is such a stress financially.

We had hoped the NDIS would be able to assist with this in some way (some of the wheelie access features don't come cheap). But it sure doesn't look like it and I find this bewildering given the importance of accommodation when it comes to independence (and therefore all those other things that flow on from this) and the priorities outlined in the National Disability Strategy for example.

When it comes to the NDIS, I grow more despondent. Yep we've subscribed to all the forums, info updates, have attended meetings and contacted NDIS and Disability ACT directly. The info sessions we have attended have all been aimed at the parents/carers of people with disabilities requiring daily, personal care support.

Furthermore, I keep hearing through unofficial channels that the NDIS will essentially only benefit those in high care situations and those on DSP or the equivalent. I have found this all very ostracising. And the irony is that if I don't have accessible accommodation then I enter the high need category - because I simply won't be able to look after myself and my child!

Again, thanks for your input.

Cheers

XXXXXX

Hello YYYY

Many many thanks for your email. You have fast-tracked my knowledge of where this state is at with NDIS changes. I'll certainly watch the developments with interest.

Yes it's amazing that my son is now XXXX months old. And he is amazing. A lovely, delightfully happy little boy. There is of course no question about how much joy he's brought to our lives but I'd be lying if I said it has been easy. I didn't realise the extent to which being a disabled, primary carer of a child would threaten all those things, those 'achievements' - tertiary education, employment, reasonable health and fitness, accessible accommodation, active social engagement, and meaningful relationships - I've worked so hard for since I sustained my Spinal Cord Injury. To be honest, much - or at least some - of this could be prevented if women/parents living with a disability in this city were better represented and supported.

Two major challenges for us (quite apart from my dependency on mobility and personal care equipment, medication and wheelchair/crutch friendly baby equipment) have been accommodation and childcare.

After living for fourteen years in my wheelchair accessible government home in XXXX, we had to move out. My home was wheeling/walking distance to shops and our family doctor and in a place where I had community support. It just wasn't big enough to care for a baby from the chair. I wasn't eligible for a transfer and we had to turn to the private rental market. Hello zero access. My partner and I looked for four months. Getting desperate (and heavily pregnant and still working full-time) we moved into a house in XXXX. It's not accessible (had to build removable, temporary ramps, driveway on a steep slope, can't get to clothesline or around garden and I'm physically feeling the effects of an inaccessible kitchen and bathroom) but it at least has big living spaces and adequate bedroom space for all the baby paraphernalia and a wheelchair user. It's not sustainable though and we've sunk into an almost unmanageable level of debt as we try to build a wheelchair accessible home in XXXX.

When you have a non-compensable disability but are ineligible for any funding/assistance, meeting the costs of rent and a mortgage/building plus disability, life gets bloody hard.

In September I returned to work three days a week. I've had to rely on my family chipping in where they can because there has been no childcare available. We've been on waiting lists for two years. Recently we were offered a place and I had to turn it down because the parking didn't enable me to get XXXX out of the car! I kicked up a small fuss and we were offered one day (on a day we didn't want) at a sister centre where parking access is better. I've taken the place just to get him into the system.

Recently while updating childcare centre waiting list details I was asked whether (among other things) there was a disability in the family. Beneath this question there was a vague line about following Federal Government's priority access guidelines. Interesting. We looked into the 'guidelines' and it seems they're actually the law. We contacted several centres about this and they knew nothing. Back we went to Fed Government's people and asked how info about these guidelines is communicated (to centres and parents) and how are they complied with. It's a familiar story with both the Government and the childcare centres being able to tick a box about offering priority access to people with disabilities but the onus being on the person with the disability to go into battle for it. I shouldn't have to create tension at the childcare centres by demanding another child be removed so we are given a place. It shouldn't come to this.

It really is outrageous that my work status is being threatened because I have a disability and require childcare (at the more accessible centres and on particular days therefore allowing me to get help with looking after my son from my mum) despite the existence of a Government policy relating to priority access. It makes a mockery of the Federal Government's current preoccupation with securing people with disabilities employment.

I could go on and on but I have surely raved at you enough already. People like myself who will probably fall into that 'low need' category of the NDIS may not require high levels of personal care etc. but there's certainly a few - arguably not insurmountable as far as Government support goes - things that would really improve and maintain my quality of life. For example (just a few obvious examples):

- Fair, non-income assessed systems of priority access (to services such as childcare).
- Vehicle funding (so we don't have to pay for automatic, more powerful and therefore more expensive vehicle and the appropriate driver modifications i.e. hand controls etc.) just to get to work and do life etc.
- Abolishment of stamp duty on buying/building a new home for people with disabilities who cannot always buy into the private market.

- Some fair, non-income assessed assistance with components of building an accessible house - to assist with the costs of things like expensive but necessary features such as adjustable kitchen bench/appliance surfaces, side opening ovens, accessible cupboard fit outs, automatic doors etc.

- Non-income assessed access to domestic assistance - even on a semi-regular basis.

Take care.

Cheers

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