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Childcare and Early Childhood Learning
Productivity Commission
GPO Box 1428
Canberra ACT 2601

Dear Commissioner

Re: Childcare and Early Childhood Learning

I refer to the above. The following is my initial submission to this inquiry and its content in part repeats comments I made on my [website](#) in February 2012. This submission is intended to be brief, and is made from a lay-person's perspective. I, of course, defer to the expertise of the many childcare professionals and researchers who have already made initial submissions to the Commission's Inquiry.

I'm the Labor candidate for the Griffith by-election. The views expressed in this submission are mine and do not necessarily represent the views of the Australian Labor Party.

Childcare is important for a number of reasons. Giving our kids the best start on their education journey is of vital importance to our economy, and, more importantly, for our society.

This brief submission focuses specifically on a subject dear to my heart, about which I've previously [written](#): workforce participation. There are many policy settings that affect workforce participation, and in my view childcare is one of the most important.

Access to childcare in this country clearly needs improvement.

The history of childcare reform has been recorded in various parliamentary documents about access to childcare, including a senate inquiry report in 1998, a 2002 [e-brief](#), and a senate inquiry [report](#) of 2009. (I also note that on 12 December 2013, the Senate [referred](#) the inquiry into the immediate future of the childcare sector in Australia to the Education and Employment References Committee for inquiry and report by 17 June 2014.)

The history is instructive, for the purposes of assessing the major parties' philosophies in relation to childcare, over the years.

One of the first measures that the new elected Howard government took in 1996 was to abolish operating subsidies for community (that is, not-for-profit) child care centres. In the same year, they reduced Childcare Cash Rebate from 30 per cent to 20 per cent for one-child families with incomes above \$70,000 a year.

In stark contrast, the recent, now former, Labor government announced that it would invest \$22.3 billion in early childhood education and care over four years. It said this was more than triple the investment made during the last four years of the Howard Government. In making the announcement about funding, the then Minister, Ms Kate Ellis, said:

“We’ve seen a massive 36 per cent increase in the number of child care services since Labor came to Government and the expansion of the sector shows no signs of slowing.”

In a speech to the Australian Childcare Allowance in August last year, then Minister Ellis said:

“In affordability alone we have seen a massive increase in investment, we have seen an increase in the child care rebate from 30 to 50 percent, we have seen the increase in the cap of the child care rebate from \$4,354 a year up to \$7,500 per year but importantly they aren’t the only statistics that matter. The statistics that matter is the impact that this increase is having in Australian families. What we do know is that in 2004 when a family was spending on average 13 percent of their disposable income on their childcare fees, that by 2011 that figure stood at 7.5 percent.”

Substantial childcare reforms will be made only by governments that have the will to improve working parents’ access, and the support on the floor of the parliament to execute that will.

That’s why I’m disappointed that the new Abbott Liberal National government has already made cuts that will make it harder for some parents to get childcare places. The office of Ms Ellis – now the shadow minister – issued a [statement](#) in that regard on 29 January.

I urge the Commission to make strong and clear recommendations that childcare be made more accessible.

I ask that the Commission consider the following principles when making its report:

- Equity: support for families should be fair and targeted to those who need it most
- Quality: we all want the best for our kids when they are undergoing early learning – and high quality childcare is in the national interest, too

- Recognition: early learning professionals undertake extremely important and demanding work that should be rewarded, not undervalued
- Skills: early learning is the start of a child's education journey and training for early learning educators
- The broader benefits of investment in childcare: public support for childcare has economic benefits because it reduces barriers to workforce participation
- Affordability: our nation needs policy settings that are aimed at containing childcare costs
- Accessibility: families need local, available childcare services, not the stress of signing up to multiple waiting lists with no guarantee of a place

I recognise the foregoing could be considered competing demands. But our nation needs affordable, accessible, quality childcare and this is a policy challenge that governments must meet.

Should the Commission require further elaboration from me, I can be reached at the address above.

Yours faithfully
Terri Butler