

Submission -

1. Child Care Benefit and Child Care Rebate should be focused on improving work force participation. It should not be a welfare payment or income support simply people have children.

- a) From a productivity perspective, child care subsidies should only be provided for working families (who in turn pay taxes and contribute to the overall productivity of the economy with increased labour force participation, labour retention and skill/knowledge improvements).
- b) Minimum 15 hours working/training requirements should apply to all CCB and CCR.
- c) Any CCB and CCR subsidised child care hours/days must correspond with the number of hours, and days that both parents and/or the only parent are/is working. Taxpayer funds should not be used to subsidise stay-at-home parents or part time working parents to have government subsidised "days off" from child caring responsibilities when they are not working.
- d) Working families (with both full time working parents, or full time working single parent) should be offered priority access to child care vacancies over those families with parents working part time or only one of the parents working. This priority access arrangement should universally apply to all approved child care providers eligible for CCB and CCR.
- e) The only exception to minimum working/training requirements for CCB and CCR should apply to a 12 month Pre-Schooling period (1 year prior to formal school), which is necessary to prepare all children for early childhood development and school readiness.
- f) Pre-school should be universally available for at least 3 days a week for all children in 1 year prior to formal school year at affordable rates and/ or free for low income families.

2. Flexible and effective child care arrangements for many different families reflecting the modern working life

- a) Recommendations to remove restrictions on the number of child care places for occasional care and the hours that centres have to be open in order to receive Government subsidies should be supported.
- a) CCB and CCR should be available to other forms of child care including nannies and au pair to cater for various working families.
- b) It should be mandatory for all public schools to provide before and after school care. The majority of the working population does not work from 9am-3pm.
- c) Opportunities to integrate services for childcare, pre-schools and before and after school care should be explored to maximise the effectiveness and efficiency of any public funds for these services. This may include the provision of childcare facilities within existing school grounds through the cooperation of all levels of governments (ie. Commonwealth funding, State school facilities/assets and local government childcare operations/delivery of service).

- d) Recommendations that Grandparents should be paid for taking up child care responsibilities should not be supported. This will have no benefit to labour force participation/productivities or the overall quality of early childhood education. Therefore, it should not be tax payer-funded. Such payment is likely to be subject to abuse/misuse with no real means of public monitoring.

3. Forms of family/child payments/support should be streamlined, and more targeted.

- a) Mean testing thresholds and other benefits should not increase with each additional child. The current FTB and other benefits calculated on per child basis encourage families who are least financially capable to have more children, and become more reliant on social welfare payments as their families grow.
- b) Family Tax Benefit A & B must phased-out. FTBs are disincentive to work force participation, and delay parents (especially women) to return to work, and subsequently adversely affect superannuation and retirement planning in the future.
- c) Additional assistance to families with special needs or other vulnerabilities should be streamlined with existing forms of social payments such as disabilities allowance, carers' allowance, income support, etc rather than as separate payments based on the number of child per family. This is to better target those who are most in need, and not helping families with personal desires for larger families and becomes increasingly welfare reliant as a result of fulfilling those personal desires.
- d) Additional subsidies to regional or other vulnerable communities should be directed to child care providers and other service providers to improve service quality and availability in these communities rather than as direct payments to families who may already have difficulties to best utilise welfare payments for their rightful purposes. Subsidies to child care workers and service providers to work in these communities would be more beneficial than paying vulnerable families, who have other competing needs and conflicting priorities.
- e) Media seems to be overly focusing on so call "low income families" in the current review, ignoring that there are other factors affecting low income families when considering returning to work after child birth. Any form of child care subsidies will never provide sufficient incentive for low income workers/families to return to work earlier than financially necessary or personally desired. Low income earners are often in low or unskilled jobs, which have low financial incentives and little career development opportunities to encourage parents (especial mother and/or secondary income earner of the family) to return to work. Many low income earners are also part time and casual workers, who do not necessarily have a high demand for child care or before and after school care.
- f) Child bearing and raising a family should be a planned and well-thought out decisions. Extra subsidies already exist such as parenting allowance (for single parents/ low income parents), where unfortunately life circumstances changed.

4. Funds from the proposed Paid Parental Leave (6 months full pay) should be re-directed to Child Care (Early Childhood Education) and before and after school care.

- a) Parental Leave for the **first 6 months** from the birth of the child is a temporary period for which family can reasonably planned for, with or without government assistance.

The current PPL at minimum wage is sufficient assistance to most family for a temporary period.

- b) Child Care costs, and before and after school care costs is a much more difficult item on family budgets and **extends over a 12 year period** for each child.

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