



# MAKING EARLY CHILDHOOD EDUCATION AND CARE AFFORDABLE AND ACCESSIBLE

All Australian families should have access to affordable, quality childcare. By streamlining funding to reduce out of pocket expenses, the Australian Greens will give all families a guaranteed 24 hours of subsidised care per week and provide \$200m to help early learning centres cut waiting lists.

The Australian Greens will ensure all children have access to quality early childhood education and care (ECEC) and that families can afford the weekly fees without breaking the bank.

The Australian Greens will:

- Cut out-of-pocket expenses to families by providing **24 hours of universal subsidised ECEC** per week.
- Increase access to ECEC for all children by making more spaces available and reducing waiting list times, especially in high need areas. This will be done by introducing a **\$200 million 'Reducing Waiting Lists' grants fund** for centres to increase the number of spaces that they offer.

Despite promising to fix the system when they won the 2013 election, the Liberal Party continues to delay implementing any changes, at the expense of Australian families. The Government's proposed plan, if ever implemented, will see many families' level of childcare cut, while some will be left with no access to childcare at all.

Labor's plan involves pumping billions of dollars into a broken system, by providing an increase to the Child Care Benefit that is not means tested, meaning families on high incomes receive the same subsidies as those on lower incomes. The Greens believe there is a fairer way.

## > BACKGROUND

The Australian Greens recognise that access to ECEC is crucial for a child's development and it's time Liberal and Labor committed to funding it properly. Universal access to childcare and early education is an important principal and it should be central to a much needed overhaul of the childcare sector.

The Greens have led the debate when it comes to ECEC subsidies in Australia. Currently, subsidies are distributed through an inefficient and administratively burdensome dual payment system (Child Care Benefit and Child Care Rebate).

In the 2013 election the Greens led with a policy which proposed streamlining these two payments into a single means tested payment made directly to centres. In February 2015 the Productivity Commission<sup>1</sup> released a report that essentially mirrored the Greens' policy, following which the Government announced a plan to reform subsidies into a single stream.<sup>2</sup>

Unlike the Greens' policy, however, the Government want to introduce the 'Activity Test' which requires a minimum workplace participation of 8 hours per fortnight in order for families to access any base subsidy.

The Greens recognise that ECEC is about more than just providing a 'child minding' service for families; ECEC and socialisation is essential for the development of all children. Our policy provides a minimum level of universal access for all children, regardless of workplace participation and in doing so, provides essential access for all children.

Despite winning the 2013 election on the core promise that they would fix the problems with the ECEC system to make childcare more accessible and affordable to Australian families, the Government recently announced that it would be postponing these changes for the second time.

<sup>1</sup> Australian Government Productivity Commission, 'Childcare and Early Childhood Learning,' available at <http://www.pc.gov.au/inquiries/completed/childcare/report>

<sup>2</sup> The government introduced the *Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Bill 2015* (the Bill) in December 2015.

Labor’s policy fails to provide for the overhaul the system needs. The Greens are the only party with the vision to change the way in which ECEC operates in this country, and the courage to see these essential changes implemented.

## > A FAIRER WAY

The Greens will streamline the Child Care Benefit (CCB) and Child Care Rebate (CCR) into a single means tested payment made direct to centres.

Currently, the CCR is a capped amount that is made equally available to all families, regardless of their income. By combining both CCB and CCR into a single means tested payment, the Greens’ proposal would make the system both easier to navigate and better targeted towards families who need greater support.

Families earning around \$65,000 or less will receive a subsidy of 85 per cent of the actual fee charged. For family incomes above \$65,000, the subsidy tapers down to 20 per cent when family income reaches \$340,000.

Combined Family Income	Subsidy per cent of the actual fee charged (up to relevant percentage of the hourly fee cap)
Up to \$65,000	85 per cent
More than \$65,000 to below \$170,00	Tapering to 50 per cent
\$170,000 to below \$250,000	50 per cent
\$250,000 to below \$340,000	Tapering to 20 per cent*
\$340,000 or more	20 per cent

\*Subsidy tapers down by 1 per cent for each \$3000 of family income.

## > REDUCING WAITING LISTS

With available spaces disappearing and waiting lists increasing, The Greens would initiate a ‘Reducing Waiting Lists’ grant fund that would encourage centres to apply for funding, allowing them to expand and offer more childcare spaces.

Centres could apply for grants to assist with capital works or increased workforce, depending on the specific needs of individual centres.

By increasing capacity, through physical expansion or bringing on more staff, childcare centres would be able to work with the government to alleviate the currently critically low levels of availability.

This fund would be targeted towards high need areas.

## > BUDGET IMPLICATIONS

Implementing the Greens’ policy of Universal Access to early education would add \$370 million per year to the cost of the government’s proposed childcare overhaul.

The ‘Reducing Waiting Lists’ grants fund would cost \$200 million over the forward estimates.

Both measures would be funded through the Greens’ fully costed platform.