

Media Release

For immediate Release

Productivity Commission proposes disappointing outcomes to increase affordability and workforce participation

20 February 2015

The Final Report from the Productivity Commission Inquiry into Childcare and Early Childhood Learning is an extensive report that will do little to address the affordability concerns of working families.

Ms Gwynn Bridge, President of the Australian Childcare Alliance said, "This report proposes a disappointing upheaval to the early childhood sector in Australia that – if adopted by Government – would have implications for every family and service provider in Australia".

The Report states that the new system for early childhood services would provide "relatively small" increases in workforce participation and will cost the Australian Government more than it currently spends.

"As feared, this report is a redistribution of the existing funding and sadly, it appears that no modelling has actually been undertaken by the Commission to demonstrate that the proposed system will be sustainable over the long term," Ms Bridge said.

The reforms proposed, particularly the extension of funding to home-based care services, would require a significant compliance and monitoring effort and increased expenditure for care provided by nannies in the homes of Australian families.

"The recent track record of governments in Assessment and Rating of early childhood services shows that in many cases that governments has been unable to perform their basic regulatory functions in a timely fashion yet alone monitor educators in family homes," Ms Bridge said.

ACA is disappointed that the Productivity Commission has demonstrated, through the proposed 'Benchmark Price', a lack of understanding in the true costs of delivering early childhood services in a centre-based setting.

Ms Bridge said that ACA has always advocated for less red tape and a more efficient early childhood sector and that there are some sound proposals within this report that make sense, however they have been largely overshadowed by the continuing affordability issues for families.

"The proposed 'Benchmark Price' is less than the real costs of provision of quality care and families will, in many cases, pay more," Ms Bridge said.

Australian Childcare Alliance

A Suite 6, 539 Highett Road, Highett VIC 3190 **P** 03 9532 2017

President Gwynn Bridge (Qld) 0418 764 779 gwynn.bridge@childcarealliance.org.au

Vice President Judy Aitkinson (SA) 0411 533 706 sa@childcarealliance.org.au

State Presidents

QLD/ACT	Jae Fraser	0408 873 492
NSW	Nesha O'Neill	0412 085 068
VIC	Paul Mondo	0411 587 170
WA	Rachelle Tucker	0433 498 147
SA	Kerry Mahony	0419 819 754
NT	Sandra Hill	0419 350 992

The proposed changes will need to be planned and implemented carefully, but we fear that the Productivity Commission's Report will do very little to provide recognisable relief to Australian families in the current difficult economic climate.

We urge the Prime Minister and the Minister for Social Services to be methodical in examining the proposals and be cautious not to focus excessively on simplistic economic considerations.

Australian Childcare Alliance (ACA) is a national association specifically for long day care services. ACA provides support, information and advice to keep members abreast on current research and information on government funding to families.

ENDS

Media enquiries: Gwynn Bridge 0418764779

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