



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
FAMILY ASSISTANCE LEGISLATION
AMENDMENT (CHILD CARE
BUDGET MEASURES) BILL 2010

Second Reading

SPEECH

Tuesday, 23 November 2010

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Marino, Nola, MP

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Ms MARINO (Forrest) (7.30 pm)—The Family Assistance Legislation Amendment (Child Care Budget Measures) Bill 2010 will set the maximum per childcare rebate to \$7,500 per annum for the next four years, starting from 1 July and applying until July 2014. The Labor government has effectively removed indexation from the childcare rebate, which in 2009-10 was an indexed amount of \$7,778. I can only assume from this move that, having wasted billions and billions of taxpayers' funds on rorted and mismanaged schemes and programs such as the BER, the Home Insulation Program, the Green Loans program, Fuelwatch and GroceryWatch, just to name a few, and on Labor's reckless spending, with nearly \$90 billion of debt, a record \$57 billion dollar deficit last year, a projected \$41 billion deficit for this current year and current Labor government borrowings of over \$100 million a day, the list is endless—and all this from a government that promised before the 2007 election to make child care more affordable and build an additional 260 childcare and early childhood education centres on school sites and community land to end the 'double drop-off'.

What we have now is the Labor government clawing back funds from Australian families with this measure, making families pay once again for their waste and mismanagement at a time when childcare costs are increasing, particularly with the implementation of the National Quality Framework for Early Childhood Education and Care. Through this legislation, the Labor government is aiming to generate savings of \$86.3 million over four years to help offset the cost of this agenda. On one hand the government is taking away indexation from over 20,000 Australian families, a number that is expected to increase over the next few years, while on the other hand it is using the savings for its national quality agenda. But this simply picks winners and losers in the same way that the youth allowance debate picked winners and losers.

I note in the Senate inquiry the National Foundation for Australian Women and the National Investment for the Early Years jointly pointed out that this policy change will result in increased costs for some parents. They stated:

We draw to attention that this will inevitably mean that out of pocket expenses for some parents will rise, providing a further disincentive for women with dependent children to return to the workforce or to remain work-force attached.

We in this House are all very well aware that increased and increasing childcare costs may well have a negative impact on women's participation in the workforce. Child care is central to many women's workforce participation. They cannot engage in the workforce without that childcare option. Families claiming the 2009-10 current maximum childcare rebate of \$7,778 would be paying childcare costs of \$15,556 or more each year, and full-time child care over 48 weeks at just under \$70 a day will reach this limit.

Parents who have contacted me are also concerned that they may well have to pay higher fees because of the higher staff ratios required by the quality agenda. An article in the *Daily Telegraph* stated:

Parents face fee rises of up to \$33 per child per day ...

The centres referred to, which supply nearly 13,000 childcare places, said:

... fees for children aged under two would have to rise by 30 per cent ...

For a family using full-time care, the cost increases could amount to \$2970 per year.

That reinforces why the indexation of the childcare rebate is so important to families, given that, under the government's changes from 2011 staff to child ratios for under two-year-olds will be cut from one carer to every five children to one carer for every four children and childcare centres will also have to employ a fully trained early childhood teacher.

I note that there is a very strong and increasing need for childcare places, with the 2008 figures showing that over 1,300,000 women with children under the age of 15 years were employed either in full-time or in part-time work, either because of economic necessity or to pursue their careers. We all know that the participation of women in the workforce is and will be a key part of our nation's productivity capacity.

In the same year, 2008, over 700,000 children used some form of child care. I understand very well why improved standards and conditions for early childhood educators will ensure that quality care is provided to Australian children, but we must also be aware of the overwhelming importance of affordable child care to Australian families. That is why we are so supportive of our election commitment to improve access to quality, affordable child care for families, such as reintroducing indexation of the childcare rebate to help ease the cost-of-living pressures on families struggling to meet childcare costs, the very indexation that the Labor government is removing, and to pay the childcare rebate weekly and directly to childcare providers so that families will face smaller out-of-pocket expenses and there will be less pressure on family budgets—very important to families.

We would also have reintroduced \$12.6 million of occasional care funding which was cut by the Labor government. That decision affected many occasional childcare centres in my electorate, cuts that demonstrated yet again that the Labor government clearly do not understand the needs and issues facing families in regional and rural communities in Australia. If they did they would not have made that decision.

The Gillard government's decision to cease funding the Neighbourhood Model Occasional Childcare Program from July 2010 was a major blow to 28 affected childcare centres in Western Australia alone. Many of them still have no certainty in their ability to continue providing the services at all. This should be of concern to members on both sides of the House. In rural and regional areas, many of these centres simply do not have the numbers to sustain themselves on a full-time basis, but they need to provide that service because of the number of families who need the service. There are four occasional childcare centres in Binningup, Dardanup, Harvey and Nannup in my electorate of Forrest that are suffering as a result of that funding cut. All these centres have groups of great young mothers. They do not simply sit back and expect a handout from government. They take responsibility for these community based centres because they know that they will not be able to pursue their home based business or their job without it. They fundraise. They manage their own centres and finances. They play a direct role in their children's day care but they cannot afford the increased fees caused by the loss of that federal funding.

The state Liberal government in Western Australia has offered some support until 31 December, but after that time their future remains uncertain, and that is a very serious issue in these small towns. If you do not live and work in these sorts of areas, you simply cannot understand at all what it means to lose occasional child care, what distances these mums and their families have to travel to access the child care and their work and also how important and integral child care is to the way in which these communities function. This is a crisis for these centres and the families who rely on them. That is the way it is.

Before the 2007 election, Labor promised Australian families that it would make child care more affordable, yet this legislation and the cut to occasional childcare funding demonstrate that the government has failed to meet its commitment. On the other hand, the coalition recognises the importance of affordable child care to help families meet increasing costs—they are ongoing. We support improved standards and conditions for early childhood educators to ensure quality care is provided; but, overwhelmingly, we have to be mindful that child care must be affordable and not at the expense of others in the industry. While I am here, Madam Deputy Speaker, I want to congratulate Little Angles Day Care Centre in my electorate for receiving the National Children's Service of the Year award. The centre provides an excellent service. However, I am concerned for the number of families in my electorate who may find that their child care is less affordable or not affordable under the changes being proposed by the government in this legislation.