



Australian Childcare Alliance

Representing the future of Australia's children

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PC Report into childcare needs further analysis

The Australian Childcare Alliance (ACA) is encouraged by a number of the recommendations in the *Productivity Commission's Draft Report into Childcare and Early Childhood Learning* but urges caution until the exact impact on all families can be determined.

In principle, ACA supports the alternative model of government subsidies proposed by the PC to assist working families with young children to participate in the workforce.

ACA President Ms Gwynn Bridge said that the draft recommendation on a new funding model needed further analysis so that any unintended consequences can be addressed.

"Families need a break. Their financial struggle to remain in the workforce has escalated over the past ten years and we support changes where no family is disadvantaged and incentives are created for improved workforce participation."

ACA is concerned that the funding of 'approved nannies' will fail to provide an affordable option for families and will only further complicate the early childhood sector.

"The current regulatory system cannot handle the monitoring, compliance and quality improvement needs of the existing sector. Any potential provider could face significant insurance costs that could translate to a financial barrier for the vast majority of families," Ms Bridge said.

ACA welcomes recommendations regarding the Australian Government's investment in true *Universal Access* to kindergarten/preschool through long day care, but disagrees that state governments should be compensated to operate state-funded kindergartens and preschools outside of existing regulatory system.

"Australian Government funding should only be provided to families using services that play by the same rules. In some cases state governments took advantage of recent funding to 'gold plate' their own systems and cost shift to the Australian Government."

"The key when considering all of these recommendations is to focus on redirecting funding directed to address the affordability pressures faced by families so their children can get the best start to life and learning," Ms Bridge concluded.

ACA represents 70 per cent of the long day care sector in Australia with offices located in Brisbane, Sydney, Melbourne, Adelaide and Perth. ACA will be actively working to provide further information to the PC to inform the final report to government.

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