



Secretariat National Aboriginal and Islander Child Care

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NEW RESEARCH SHOWS *JOBS FOR FAMILIES* CHILD CARE PACKAGE WILL FURTHER DISADVANTAGE MOST VULNERABLE INDIGENOUS CHILDREN

Canberra, Australia: SNAICC, Australia's national peak body for Aboriginal and Torres Strait Islander children, today reveals telling results from new research from Deloitte Access Economics outlining the impact key components of the *Jobs for Families Child Care Package* will have on Indigenous children and families.

With Aboriginal and Torres Strait Islander children twice as likely to be developmentally vulnerable early in life, and half as likely to access early education as non-Indigenous children, the Jobs For Families Child Care Package has enormous potential to contribute to the agenda to Close the Gap.

While SNAICC applauds the greater investment in early learning that comes with this Package, there is deep concern that it will not meet its intention to make Australia's child care system "*simpler, more flexible, more accessible, more affordable and targeted to those who need it most.*" Nor will it progress Closing the Gap policy priorities.

The two major components in the Package that will impact Indigenous children experiencing vulnerability are:

1. The Budget Based Funding (BBF) Program, the specific program designed for areas where a user-pays model is not viable, will be abolished. Currently 80% of services in this program are for Indigenous children.
2. Access to subsidised services under the mainstream system will be halved for children whose families earn less than around \$65,000 per annum (this includes an estimated 78% of Indigenous children participating in the BBF program) and who don't meet the 'activity test'. Subsidised access will also be significantly reduced for families in under-employment.

Extensive research by [Deloitte Access Economics](#) has revealed the introduction of these key components of the Package would significantly reduce access to early years services for Aboriginal and Torres Strait Islander children, increase costs of child care and threaten viability of regional, remote and small Indigenous services. Specifically, it would result in:



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- **40% of families** currently accessing BBF services (including 46% of families in the lowest income bracket) would receive less subsidised hours of child care than they do currently, with an average reduction of **13 hours** per week.
- **54% of families** currently accessing BBF services will be subject to higher out-of-pocket costs, with an average increase of **\$4.42 per hour** for those negatively impacted.
- The average change in hourly fees is **most extreme for families earning less than \$65,000 per year** due to the impact of the activity test. The average change in out-of-pocket costs for these families who are negatively impacted is **\$5.06 per hour**.
- **67% of BBF services** will receive reduced government revenue, decreasing by an average 9.1%. This in particular hits our **small, regional and remote services**, with remote services averaging 34% reduction in funding.

There is a Child Care Safety Net developed within the package, of which the activity test provision is part. However, it is not constructed in a way that will adequately redress these outcomes. To avoid these unintended consequences, SNAICC suggests a suite of 20 recommendations to ensure that the Child Care Safety Net provides adequate protection to support early childhood participation of our most vulnerable children. The most pertinent of these include:

- An Aboriginal and Torres Strait Islander specific program to enable ongoing three year top-up subsidies to services where child need is demonstrated.
- Up to two full days of subsidised care for children from families earning under \$65,000 per year and not meeting the activity test.
- Broader parameters under the Additional Child Care Subsidy for a full subsidy to children experiencing vulnerability.
- A 15% higher fee cap for remote and Indigenous services, and
- A guarantee that playgroups, mobiles and other services supported within the BBF program, continue to be funded following the cessation of the BBF program.

Geraldine Atkinson, SNAICC Deputy Chairperson and President of the Victorian Aboriginal Education Association Inc. (VAEAI), comments: “The benefits of investing in high-quality early childhood programs cannot be underestimated. More than just ‘child care’, a strong and rapidly growing evidence base shows that the early years of life are crucial to brain development, and that access to quality appropriate care during these formative years is a critical predictor of a child’s successful transition to school and life-long education and employment outcomes.



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“We are really concerned that Deloitte Access Economics’ findings show that key components of the Package will significantly reduce access to early years services for Aboriginal and Torres Strait Islander children, increase costs of child care and threaten viability of regional, remote and Indigenous services.

“For example, if this reform is passed in its current form, over 50% of our families would have significantly higher costs of child care, something like \$130 on average per week as an additional cost for 3 days of care. Furthermore, centres that are already seriously underfunded will receive even less funding under the Package. This causes us deep worry about the future of our children. We need a system that recognises their realities and provides culturally strong, place-based responses that can change trajectories to ensure that our most vulnerable kids have life choices. A focus on change in the early years is fundamental to Closing the Gap.”

A detailed survey of 24 services (which covers 25% of children attending long day care services within BBF program) informed this research, with further validation completed through a comparison with publically available data.

[Full submission and research findings are available for download.](#)

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For more information please visit <http://www.snaicc.org.au> or contact:

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About SNAICC:

SNAICC is the national non-government peak body in Australia representing the interests of Aboriginal and Torres Strait Islander children and families.

Founded in 1981, SNAICC was established to engage in activities that promote and accommodate a strong voice for Aboriginal and Torres Strait Islander children and their families.

Over the past 30 years SNAICC’s efforts have resulted in many key milestones and achievements both in policy developments at state, territory and federal levels and in developing innovative and useful resources for the sector.

SNAICC is governed by an influential National Executive made up of Aboriginal and Torres Strait Islander community-controlled children and families’ services.