

I write regarding the Childcare and Early Childhood Learning Productivity Commission Issues Paper.

Background

My husband and I are full-time serving members in the Australian Defence Force. For Service reasons, we are moved around the country to fulfil particular jobs (sometimes this occurs yearly). As a transient family, we do not have the support networks of family and friends to rely-on for childcare assistance. As a result, finding childcare at short notice (6 months or less) is often impossible. At the end of 2012, we posted from Darwin to Sydney. We were unable to secure childcare in Sydney. We are currently utilising au pairs; an unfunded/unregulated form of childcare. Without this option, I would not have been able to return to the workforce. I have spent 10+ years in the workforce building a career and to maintain my professional skill sets, I can only really absorb a 12 month absence (combination of paid parental leave/leave without pay). I am also completing a diploma to broaden my skill set and potential employment in another field in the future. This has meant that I need some form of care for my son. This year, we have secured 2 days per week at the local childcare centre and an au pair (an unskilled 'mothers help') cares for our son the other 3 days.

The choice to work and utilise various care options comes at a significant financial cost. With this in mind, once our 2nd child is born, unless there are significant changes, returning to paid work may not be a viable option for me (and my family). There are a number of key changes which need to be made as soon as practicable to make childcare more affordable and accessible. This in-turn will increase the workforce participation rate for women.

Key changes to consider:

Working visa amendment for Au Pairs

Have a sub division under the working holiday visa for au pairs which enable them to stay with one family for a minimum of 12 months (ideally, 2 years). Continuity of care is extremely important for a child's development. Currently, au pairs are restricted to 6 months (as per the guidelines set out under the working holiday visa). Children take time to bond with their carers, and 6 months is not adequate for a bond to form. By the time the child and carer become familiar with one another, the au pair moves on to another family.

Lack of government assistance for in-home care (mainly au pairs)

Regulating the industry would be difficult. Currently, families negotiate hours/tasks/pocket money directly with the au pair and this seems to work well for most families. They are more of a 'mothers help' rather than a skilled childcare worker. In my opinion, a child under 3 doesn't need a qualified childcare worker to benefit and thrive. There are various reasons why families utilise au pairs (despite the common perception they are for the wealthy): shift workers, those who cannot secure a spot in childcare, Defence families, those who cannot afford large childcare bills, children who do not cope in noisy childcare settings and need one-to-one care etc. Although I am out of pocket by \$15,000+ a year (for one child), I'd prefer the government not over-regulate this form of care. My suggestion: a payment (similar to the child care rebate) to assist families who host an au pair through the working holiday visa scheme (lessening the burden on childcare centres/after school care/vacation care).

2nd Year Visa amendment

Allow 'au pairing' to be one of the specified jobs on the list to gain the 2nd year working visa. Many remote families struggle to secure care for their children. In the less desirable locations, often au pairs are reluctant to offer their services because of the isolation living on a farm may

present. By including au pairs on this list will encourage them to seek positions with families in rural settings.

Childcare rebate

The rebate should be granted to families when both parents are working only. For those families who have one parent at home yet choose to send their child to daycare 1 or 2 days per week, should not be given the rebate.

Daycare costs are increasing yearly; however, the rebate has been the same amount for the past 2 years. I'd like to see this amended so that the childcare rebate is indexed to at least CPI annually to take into account the increased cost of daycare.

Salary sacrificing

It would be beneficial for working parents to be able to salary sacrifice their daycare costs, regardless of employer, without FBT. Currently, as I understand it, parents can only salary sacrifice childcare fees if the centre is located on the employer's premises, and FBT exempt daycare salary sacrificing is limited to employees of Public Benevolent Institution, Health Promotion Charity or Public and Non-Profit Hospitals. I would like to see reform to the FBT laws so that all employees (no matter what industry they work in or what company they work for) are able to salary sacrifice their daycare costs without the penalty of the FBT tax.

I'd like to see this implemented for primary/secondary education too. Scrap the back-to-school bonus and encourage families to salary sacrifice (without FBT) for their children's education. This money can then be used to pay for school fees, books, uniforms etc.

Paid Parental Leave (PPL)

The current government proposed PPL for all mothers at their full wage for 6 months; however, hearsay suggests the Greens will not let it pass through senate unless the terms are amended to reflect that women earning under \$100,000 will receive it only. This is unfair. Regardless of what you earn, one policy for all (for the record, I don't earn over \$100,000 a year). I'd rather see the current system stay where every working woman, regardless of what she earns, receives the minimum wage for the agreed leave period or PPL as per the Government's election proposal.

Regards

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