

14 February, 2014

Wendy Craik and Jonathan Coppel  
Childcare and Early Childhood Learning  
Productivity Commission  
Canberra

Dear Commissioners

Thank you for the opportunity to provide a submission to the Productivity Commission's inquiry into Childcare and Early Childhood Learning.

In mid-2013, Early Childhood Australia and Goodstart Early Learning commissioned the Social Policy Research Centre, UNSW to:

1. Review the current model of financing Early Childhood Education and Care (ECEC) and assess its strengths and weaknesses
2. Develop 3-5 high level options for Commonwealth government financing of ECEC ... to reflect the principles agreed by ECA, Goodstart and SPRC
3. Develop one option (agreed by ECA, Goodstart and SPRC) into a detailed model for Commonwealth government financing of ECEC in Australia. Model to be sufficiently detailed to enable analysis of financial and economic impact.

The result is our jointly authored report *Financing the Future: An equitable and sustainable approach to early childhood education and care*. The report canvasses a number of issues and makes recommendations relating to several of the Inquiry's terms of reference, including:

2. The current and future need for child care in Australia, including consideration of the following:
  - a. hours parents work or study, or wish to work or study
  - b. the particular needs of rural, regional and remote parents, as well as shift workers
  - c. accessibility of affordable care
  - d. types of child care available including but not limited to: long day care, family day care, in home care including nannies and au pairs, mobile care, occasional care, and outside school hours care
  - e. the out of pocket cost of child care to families
  - f. rebates and subsidies available for each type of care
  - g. the needs of vulnerable or at risk children
  - h. interactions with relevant Australian Government policies and programmes.
3. Whether there are any specific models of care that should be considered for trial or implementation in Australia, with consideration given to international models, such as the home based care model in New Zealand and models that specifically target vulnerable or at risk children and their families.

4. Options for enhancing the choices available to Australian families as to how they receive child care support, so that this can occur in the manner most suitable to their individual family circumstances. Mechanisms to be considered include subsidies, rebates and tax deductions, to improve the accessibility, flexibility and affordability of child care for families facing diverse individual circumstances.
5. The benefits and other impacts of regulatory changes in child care over the past decade, including the implementation of the National Quality Framework (NQF) in States and Territories, with specific consideration given to compliance costs, taking into account the Government's planned work with States and Territories to streamline the NQF.

We very much appreciated the opportunity to discuss our draft report with Commissioner Coppel and Assistant Commissioner Rosalyn Bell earlier this month and have pleasure in attaching the final version.

Yours sincerely,

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