**Social infrastructure must be at the heart of a COVID-19 recovery plan, starting with social housing and universal early childhood learning and care.**

Dr Mary O’Sullivan – WEL Executive

**$666 million for home renos while ditching the additional childcare subsidy: whose work is being valued?**

WEL was shocked by the Prime Minister and Education Minister’s June 8 announcement that support for the early childhood learning and care industry through JobKeeper and income subsidies allowing fee free services would cease on July 12.

No convincing rationale was made for the decision to target childcare as the first industry to remove from JobKeeper. This time neither the Prime Minister nor the Minister for Education acknowledged - as they had when they announced ‘free’ childcare on April 2 - that early childhood learning and care workers were ‘essential’ and ‘vital’ to Australia’s COVID-19 effort.

After waxing lyrical on ‘tradies’ on June 2, only a few days before[[1]](#footnote-1), the Prime minister did not even bother to thank underfunded childcare centres for remaining open through the pandemic; nor the early childhood learning and care workers who welcomed kids back in the new ‘fee free’ era and risked their health to support other essential workers such as teachers, cleaners and nurses.

Neither the Prime Minister nor the Education Minister provided any projections on the impact of the withdrawal of additional Government support on childcare workers’ employment, nor on its impact on the affordability of childcare fees.

Indeed, it seemed to some commentators that the Government was launching an ‘experiment’ in withdrawing JobKeeper - with the impacts on women and children as the first to be tested. [[2]](#footnote-2)

It was particularly galling for WEL and numerous women’s and advocacy organisations that the June 8 announcement came five days after the Prime Minister had announced $666 million funding to support largely male and ‘shovel ready’ ‘tradie’ jobs in private home renovation and construction. So far construction has suffered small and insignificant job losses, although that may change.

Everyone from the Treasurer, the Reserve Bank Governor and the Treasury Secretary has acknowledged that women’s employment and incomes have been most negatively affected by the crisis. Releasing the rmost recent employment data for May the ABS has again confirmed that *’women continue to be more adversely affected by labour market deterioration than men.’* [[3]](#footnote-3)

Yet the first industry the Morrison Government has targeted for withdrawal of additional government support is one where 97% of the approximately 160,000 workers are low paid women.

It is hard to believe that there isn’t a calculated ‘gendered’ element in the close juxtaposition of the two announcements, led by the Prime Minister. If not… that was how the message came across. As Professor Rae Cooper, the renowned Australian expert on gender and work told the New York Times: ‘*it’s absolutely valuing men’s work over women’s work… it is so obvious and so clear that it’s really quite shocking*’[[4]](#footnote-4)

**Beyond shock: A feminist case for investing in social housing and free/low cost quality early education and care**

The Covid crisis has confronted us with the urgent necessity and responsibility to care for each other’s health and well-being. Not to do so in a time of pandemic can have dire consequences for people we know and those we don’t know.

Social infrastructure such as social housing, subsidized childcare, hospitals and schools supports the fair and equal distribution of care through provision of secure housing, education and learning and expert health care.

WEL has launched a campaign for Government investment in social housing for women as part of the COVID-19 recovery strategy.

The crisis provides an historic opportunity for additional government investment to create a free, universal, quality early childhood learning and care system.

Such an investment as part of a post COVID-19 economic recovery plan would save current jobs in the industry, create new employment and training opportunities for women and would produce both immediate and long term social and economic benefits for the broad Australian community.

**Research supports the case for a national investment in early childhood learning and care.**

There is now broad expert agreement, based on decades of international research, that government investment in early childhood learning and care can transform lives, as well as improving GDP. As with the benefits from social housing, the short-and long-term benefits from early learning and care far outweigh those of many equivalent or more expensive ‘hard’ infrastructure investments[[5]](#footnote-5). Social Housing and early childhood learning and care are as much essential infrastructure with at least equivalent benefits to roads and dams.[[6]](#footnote-6)

Early childhood learning is the strongest guarantee of later progress in school – especially for poor and disadvantaged children. Accessible, quality and affordable early learning and care also frees women (and men) to balance paid and domestic work and fully commit to working lives necessary for economic independence and social engagement on equal terms.

How long will it take Australian Governments and politicians to understand that our highly gendered labour force (by industry and occupation), dictates that infrastructure investment is by default a gendered decision; one which ultimately advantages some gendered needs and some gendered jobs over others.

**Crises such as the one we confront can create radical possibilities for women.**

As children and adolescents in the 1950’s and early 60’s, many children of that era witnessed their mothers’ stifling and disappointed lives, trapped in their homes and marriages via economic dependence. Women were generally burdened with an intense and often punitive social expectation of sole domestic responsibility for husband home and children and had few options for escape.

So, it is no surprise that the demand for Universal Childcare became their daughters’ ‘second wave’ precondition to access education and paid work, on the road to lives of independence and equality.

Twenty-five years after the end of the war, the Women’s Liberation movement made universal childcare a key demand, along with the right to choose, equal pay and equal work. In 1972 WEL’s first election platform made childcare an election issue and a priority for the Whitlam Government.

Yet almost fifty years on from the 1970s, universally accessible, affordable and quality early childhood learning and care remains an elusive ideal for Australia. However, removal of fees and some relaxation of conditions over the past 12 weeks has shown us that it is indeed possible. It’s almost as if the Government realised that the community was about to embrace this new reality and decided to snatch it away before it was too late.

**Early childhood education and care is expensive and the activity test excludes poor and disadvantaged children.**

The system the Morrison Government plans to resuscitate in July was introduced by the Turnbull Government in 2018 following the recommendations of a Productivity Commission Inquiry. It involves government subsidies to providers and is very complex. Fees are capped via the limits on the level of subsidy and the subsidy backed fee is determined by household income and whether parents meet the ‘activity test’. Centres can charge higher than the cap if the market allows.

Two thirds of the 13,000 centres are privately run for profit, including by a number of corporations listed on the ASX and overseas. The largest provider is however the ‘not for profit’ and sector standards setter, Good Start Early Learning.

Australian parents pay more for early childhood learning and care than in most other OECD countries. The 2019 HILDA survey reported that early childhood learning and care costs have more than doubled since 2002, absorbing 27% of household income.[[7]](#footnote-7) In the Scandinavian countries and many other European countries such as France and even Italy public investments in early childhood learning and care mean that costs for parents account for as little as 5% of household income.

One of the most serious failures of the scheme being resuscitated in July is that the work/activity test excludes many poorer children where one or both parents are unemployed, and neither in work, nor in recognised volunteering or study.

Households with incomes below $65,000 per annum but who are not meeting the test are entitled to 12 hours a week early learning and care. However, there is evidence that as a consequence of the activity test, many poor, disadvantaged and Aboriginal children were not accessing the system, prior to the pandemic.[[8]](#footnote-8)

**Making childcare more accessible benefits disadvantaged children and families exposed to domestic violence**

From 6 April and now extending to the end of October, the activity test is relaxed. Reports from Good Start Early Learning suggest that, since the April fee removal and relaxation of the activity test there have been significant increases in hours accessed by children at risk of abuse and neglect.

Given the major increases in reports of domestic abuse during this crisis it appears that free early childhood education and care may be providing a respite for some women with children exposed to violence. If so, there a serious ramification for these children should they be once again excluded by poverty or their mother’s inability to comply with the activity test

SNAICC, the Aboriginal and Islander Childcare advocacy peak, has also reported increases in Indigenous children’s enrolments following the abolition of fees and the activity test, with some families accessing childcare for the first time. [[9]](#footnote-9)

We now have the opportunity to bake in and accelerate these lifelong educational advantages from early childhood learning and care with Indigenous children as the first priority.

WEL strongly supports calls for additional funding to eliminate the activity test altogether in the design and funding of a post COVID-19 early childhood learning and care recovery package.

Additional Commonwealth Government investment in early childhood education and care as part of the COVID-19 recovery strategy could also dramatically improve the quality and accessibility of the system. Around 15% of centres fail to meet national standards and these are more likely to be services in outer metropolitan areas or in rural and regional Australia, where there is less choice for parents.[[10]](#footnote-10)

Childcare workers, many of whom have trade equivalent certificate qualifications, as well as diplomas and degrees, are notoriously badly paid - starting as low as $22 an hour. Thirty percent of employees in the sector work as casuals and are thus very exposed to drops in enrolments as parents facing unemployment struggle with fees.

**A July** **reversion to full fees and the activity test could have a catastrophic impact on women as parents and as childcare workers.**

Though unacknowledged by the Government when it pulled the rug from under the feet of the early childhood education and care sector, projections indicate that withdrawal of the subsidies and other supports will lead to a potentially catastrophic fall in enrolments. A third of parents surveyed said that with the return of pre-COVID-19 fees they would be forced to withdraw children.[[11]](#footnote-11)

Return of fees will also mean that ’…more than half (60%) of Australian households will have a parent forced to reduce work when full fees return and in 68% of those households the parent to stop or reduce work will be a women’.[[12]](#footnote-12) A further mass exit of women from the workforce and a further reduction in hours will exacerbate the already grave economic and social impacts of the crisis on Australian women.

**Time to place universal early childhood learning and care alongside social housing at the heart of Australia’s COVID-19 recovery plan**

Many economists, advocacy and expert groups are now calling on the Government to recalibrate the COVID-19 recovery commitments already made, with investment priorities targeting employment and training opportunities for women, along with social infrastructure such as social housing.

The World Economic Forum has recently called for a gender centred economic recovery.[[13]](#footnote-13)

In its 2014 submission to the Productivity Commission Inquiry into Early Childhood Learning and Care, the Grattan Institute argued that Australia could boost GDP by $27 billion if it introduced a universal childcare subsidy of 95% at a cost of 12 billion a year and modified the tax and transfer system to remove disincentives for second income earners – overwhelmingly women – to return to full time work.[[14]](#footnote-14)

Recent research reported by the Australia Institute indicates that ‘Industries like child care create around 8 jobs [for women] for every $1 million the government spends on it and that compares very favourably to the 0.2 jobs that women get if we spend that money on construction’.[[15]](#footnote-15)

Unexpectedly, the COVID-19 crisis has thrown childcare into the centre of national debate on future economic and social policy directions involving women’s equality.

This is an historic opportunity for Australian children, women and families. The 2008 economic crisis enabled the Rudd Government to auspice the rapid creation of Australia’s largest childcare provider and not for profit, Goodstart Early Learning, from the ruins of a collapsed corporate private provider.

WEL took a modest policy on childcare to the 2019 Federal election. This called for a simple, affordable, accessible and flexible system with a universal entitlement for two days a week early childhood learning and care, better pay and conditions for childcare workers and a range of service models to meet the need for variable, non-standard and unpredictable hours of care.

In line with calls from childcare advocates and providers themselves, WEL now wants to see a COVID-19 recovery commitment to fund the continuation of the current level of Commonwealth Government support, allowing for free childcare for at least the next 12 months, together with the removal of the activity test and a wages and training supplement which recognises the vital role childcare workers will play in economic and social recovery.[[16]](#footnote-16)

In the words of Julia Davison, Goodstart CEO:

*More than half of our families have told us that they have suffered a reduction in family income since March and paying fees will be difficult for many. This may mean children do not attend early learning in the second half of 2020, a time when they should be preparing for the transition to primary school.*

*We believe children and families will need increased support for twelve months to see them through the COVID-19recovery period. While the activity test will be relaxed for 12 weeks for some families, there is no extra assistance being offered to those who have lost income.*

WEL calls on the Commonwealth Government to initiate the redesign of Australia’s childcare system so that it transitions towards the provision of accessible and affordable universal services, with priority given to not for profit and community providers.

Principles informing a new system should include the possibility of mandating and funding a free minimum early learning entitlement for all Australian children in a care system where the needs of children and those of parents are balanced and the professionalism and skills of childcare workers are recognised and rewarded.

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For more information on WEL’s advocacy on these issues contact [www.wel.org.au](http://www.wel.org.au) or Dr Mary O’Sullivan on 0419 444 889

1. - “Our JobMaker program is backing a **tradie**-led recovery to help spark the economy as Australia emerges from the effects of COVID-19,” [↑](#footnote-ref-1)
2. Andrew Probyn *JobKeeper for childcare out, renovations in: Morrison’s perplexing experiment turns the focus from women to men* ABC News 9/06/2020 [↑](#footnote-ref-2)
3. Australian Bureau of Statistics 18/06/020 Media Release ‘Employment falls by a further 227,800 in May’ [↑](#footnote-ref-3)
4. Damien Cave *A Stimulus Backlash Delivers a Global Warning: Value Female Workers* New York Times14/06/2020 [↑](#footnote-ref-4)
5. See Jen Jackson *‘Quality Childcare has become a necessity for Australian Families and it’s about time the Government paid up’* The Sector 19/02/02020; A useful research summary is at Early Learning: Everyone Benefits. See everyone benefits.org.au [↑](#footnote-ref-5)
6. See <https://www.wgea.gov.au/data/fact-sheets/gender-segregation-in-australias-workforce> [↑](#footnote-ref-6)
7. Wilkins R, Lab I, Butterworth P et al. *Household, Income and Labour Dynamics in Australia Survey,* Melbourne Institute, Commonwealth of Australia 2019 <https://melbourneinstitute.unimelb.edu.au/__data/assets/pdf_file/0011/3127664/HILDA-Statistical-Report-2019.pdf> [↑](#footnote-ref-7)
8. Australian Institute of Family Studies *Childcare Package Evaluation: Early Monitoring Report Appendix D1 Disadvantaged and Vulnerable Families* July 2019 [↑](#footnote-ref-8)
9. Fergus Hunter *They are thriving: Free Childcare boosted access for disadvantaged and Indigenous kids.* SMH13/06/020 [↑](#footnote-ref-9)
10. See <https://www.acecqa.gov.au/sites/default/files/2019-12/NQF-Annual-Performance-Report-2019.pdf> [↑](#footnote-ref-10)
11. The Parenthood *Government sets up child care sector for a second wave of withdrawals with snap back to the old model* Media Release 8 June [↑](#footnote-ref-11)
12. The Parenthood ‘*60 per cent of Australian Families will have apparent forced to reduce work when childcare fees return and 68% will be women’* Media release 1 June [↑](#footnote-ref-12)
13. World Economic Forum ‘*Our recovery from the corona virus crisis must have gender empowerment at its heart’* weforum.org [↑](#footnote-ref-13)
14. Grattan Institute ‘Submission to the Productivity Commission Inquiry on Childcare and Early Childhood Learning’ John Daley and Cassie McGannon March 2014 [↑](#footnote-ref-14)
15. <https://www.abc.net.au/news/2020-06-10/women-have-lost-jobs-faster-than-men-during-coronavirus-but-are/12338598> [↑](#footnote-ref-15)
16. See press Release June 3 goodstart.org.au/news-and-advice/june-2020/child-care-transition-good-idea-but-families-need [↑](#footnote-ref-16)