



YWCA CANBERRA

**Submission to the Select Committee on the Australian
Government's Response to COVID-19:**
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Acknowledgement of Country

YWCA Canberra proudly recognises the rights of Aboriginal and Torres Strait Islander peoples to own and control their cultures and pays our respect to these rights. YWCA Canberra acknowledges the need to respect and encourage the diversity of Indigenous cultures and to respect Indigenous worldviews, lifestyles and customary laws. We extend our respect to the Aboriginal and Torres Strait Islander women who for thousands of years have preserved the culture and practices of their communities on country. This land was never surrendered, and we acknowledge that it always was and will continue to always be Aboriginal land.

About YWCA Canberra

YWCA Canberra is a feminist not-for-profit organisation that has provided community services and represented women's issues in Canberra since 1929.

Our mission is 'We strengthen communities by supporting girls and women through our services and advocacy' and our vision is 'Girls and women thriving'.

We provide essential, quality services for women, girls and families in the ACT and surrounding regions. We work in the areas of children's services, community development, homelessness and affordable housing, youth services, personal and professional training, women's leadership and advocacy.

We are externally accredited against the [Quality Improvement Council \(QIC\) Health and Community Service Standards \(7th Edition\)](#). Accreditation against the QIC standards support us to improve client and community engagement, diversity and cultural appropriateness, management systems, governance and service delivery, while committing to a cycle of continuous quality improvement. In addition to the QIC standards, we are accredited against the following external client related service standards for our key areas of work:

- [Australian Charities and Not for Profit Commission](#)
- [National Quality Standard for Early Childhood Education and Care and School Aged Care](#)
- [National Regulatory System for Community Housing](#)
- [Registered Training Organisations Standards](#)

We also benchmark our work in homelessness and affordable housing against the Community Housing Standards. Through our national Affiliate Association with YWCA Australia, we are part of the World YWCA network, which connects 120 countries across the globe.

As a member of Children's First Alliance YWCA Canberra also supports their submission to this Committee.

Introduction

YWCA Canberra welcomes the opportunity to provide a submission for the inquiry into the Australian Government's response to the COVID-19 pandemic. As local providers of Early Childhood Education and Care (ECEC) and School Aged Care (SAC), our services have seen firsthand the economic consequences of COVID19. Though significant, these consequences have also forced a broader recognition of the unique position that ECEC and SAC occupy in our economy; formative education for the future workforce, jobs and qualifications for a female dominated workforce and a facilitator of wider economic participation. There is a clear relationship between access to early childhood education and positive economy wide outcomes¹ and the value of early childhood education extends beyond the families of those who use it.

In making this submission YWCA Canberra responds only to the policy response of 'fee-free' services as underpinned by the JobKeeper payment and the subsequent top-up relief package. Our submission outlines how these two important policy levers (JobKeeper and 'fee-free' service) have intersected in a way that threatens provider sustainability in the long-term and if left uncorrected will become exacerbated as parents begin to return to work. We also offer brief discussion points on how early childhood education is valued and funded.

Discussion and Recommendations

Unintended consequences of the *fee-free* model

Prior to the Government's announcement of the funding model which removed fee obligations for parents, attendance rates at YWCA Canberra sites were down by roughly 90 per cent in SAC. Our ECEC centres also experienced a drop in attendance of around 70 per cent but this was more variable across locations than SAC absentee rates. Formal withdrawals from programs also increased as parents who were displaced from the workplace looked to save on household expenses and others found themselves working from home. At the same time, our services were still desperately needed by parents working in health, emergency, retail, logistics or other critical response industries. The Australian Government's preliminary decision to increase the number of allowable absences where the Child Care Subsidy could still be paid without medical evidence compounded an already dire situation.

In this context, many early childhood education services were on the precipice of closure prior to the announcement of the fee-free model underpinned by the JobKeeper wage subsidy. While this urgent policy response was welcomed by the YWCA Canberra, the assumptions

¹https://marlin-prod.literatumonline.com/pb-assets/Lancet/stories/series/ecd/Lancet_ECD_Executive_Summary.pdf

built into the model proposed by the Government have continued to undermine the sustainable operation of our early childhood services.

The policy assumption that the JobKeeper subsidy would assist with meeting our wage obligations was not grounded in operational reality. As an industry, early childhood services employ a substantial proportion of migrant workers whose visa classifications are excluded from JobKeeper eligibility. YWCA Canberra estimates that around 50 per cent of staff employed in our children's services are either ineligible casual workers (with less than 12 months employment continuity) or migrant workers on an ineligible visa class. In the absence of regular service income and the standard Child Care subsidy payment, staffing centres to meet the increase in demand which occurred when services were compelled to go fee free became a serious challenge. Our services were left with few options other than to operate under capacity, make rostering changes that impacted take-home pay of staff and to triage users by offering priority to at-risk children and parents who were still attending their workplace while also honouring pre-existing placements. As large cohorts of the workforce are planning an imminent return to work, this funding model is unsustainable and will mean services will be unable to cater to increased demand.

We acknowledge the announcement on 20 May to provide \$12 million of relief to early childhood education and care providers who could demonstrate that more than 30 per cent of their staff were not eligible for JobKeeper. Taking into account only our early childhood education and care services, YWCA Canberra would have otherwise qualified for this top-up in funding. However, as a community organisation with an established footprint in the Canberra, we also provide valuable community services on behalf of the ACT and Australian governments. These operations are also facing challenges during this time of heightened economic uncertainty. Under the relief package however, our eligibility to qualify takes into account our workforce as a whole, including staff employed in community-based services provided on behalf of government, meaning we effectively do not qualify for the top-up relief. As COVID19 also impacts on opportunities to fundraise, our exclusion from the relief package is concerning.

Recommendation: Extend and backdate the provision of the JobKeeper supplement to previously excluded casual workers and those on temporary visas.

Recommendation: Extend the top-up relief package to not-for-profit providers of early childhood education and care whose perform community service delivery on behalf of government which precludes them from meeting the current eligibility criteria.

Valuing Children's Services

Early childhood education is one of the most highly feminised and lowest paid industries in Australia. As a not-for profit provider of early childhood services, YWCA Canberra proudly pays our staff above the industry award. This means that our staff costs represent roughly 70 per cent of operational costs, slightly more than the 60 per cent assumption the government built into the fee-free policy response.

At the same time that parents rushed to take advantage of fee-free children's services, staff across our centres were either partially or fully stood down. Paradoxically, the value of early education services in our economy has perhaps never been more apparent to the broader public. If our economy is to "spring back" in the wake of COVID19, it will require sustainable and thriving children's services. Arising from this, we believe there is a pressing need to recalibrate how policy makers conceive of early childhood education and care: Rather than being viewed as 'babysitting' or 'child minding', quality early childhood education and care is an investment in the future economy of our nation and must be an economic priority for Government. Furthermore the pre-COVID19 funding model and its interaction with other elements of the tax and welfare system, having been subjected to decades of policy 'tinkering', was notoriously convoluted and for women, who are often a family's 'secondary earner', it deterred their greater economic participation.²

As both an employer and provider of children's services, we recognise the fundamental economic role played by early childhood education and continue to advocate for a model that is accessible, affordable and adequately funded by government. We recognise the role that early childhood education and care plays in facilitating the participation of women in our economy and closing the gender pay gap. In this regard, we urge the government to support pay equity and professional pay for Australia's early childhood educators.

Recommendation: The funding matrix of early childhood education services be subject to a comprehensive system-wide review with the objective of removing disincentives and deterrents for parents and improving access and affordability.

Recommendation: Value the work of early childhood educators by funding equal pay.

² <https://grattan.edu.au/news/childcare-wont-remain-free-after-the-pandemic-but-it-should-be-reformed/>