

## **Childcare – Affordable & Accessible**

### **ISSUE**

Despite significant reform and policy initiatives over the past two decades, many parents find childcare unaffordable and inaccessible. The cost and inaccessibility of suitable childcare places imposes a significant cost on families and the Australian economy as it hampers workforce participation, especially for women. The lost hours worked for women deterred from undertaking paid employment means less take home pay, lower contributions to superannuation and constraints on achieving greater economic security. Time out of the labour force also means women are less likely to advance to senior management and leadership positions.

### **RECOMMENDATIONS**

Extend financial concessions for childcare and embed early childhood education into the system. Increase the childcare subsidy and remove the cap on those subsidies. Ensure that childcare centres are geographically dispersed, ensuring parents in outer suburbs and regional areas are given the best opportunity to find a suitable childcare and early learning centre nearby.

### **RATIONALE**

International studies show that access to childcare significantly boosts the workforce participation of women, which in turn delivers income that enhances their economic security, including in superannuation. There are also benefits to the economy through enhanced productivity when workforce participation increases. This will be vital when the Australian economy emerges from the COVID-19 pandemic and over the longer run.

### **IMPLEMENTATION**

There are no impediments to the quick implementation of initiatives to deliver additional childcare accessibility. The experience in 2020 when childcare was free for a short period shows how quickly such schemes can be delivered. eS4W recommend the rapid implementation of reforms to make childcare more affordable and accessible. In addition to the benefits to families, it will be a factor helping the economy to recovery from the COVID-19 economic downturn. We note that there will need to be consultation with childcare providers to ensure the geographic breadth of new centres is appropriate.

### **CONCLUSION**

Affordable and accessible childcare is an economic reform that boosts female workforce participation and incomes. eS4W acknowledges that there will be an initial cost to the budget from any meaningful reforms, but the costs of standing still on this issue will be greater. eS4W note that past reforms on childcare have been vital in seeing the female workforce participation rate rise from around 45 per cent in the early 1980s to over 60 per cent today. Note, the female participation rate is still approximately 10 per cent lower than for males and this gap can close with a better childcare system.