



Chief Executive Women

Women leaders enabling women leaders

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## **CHILD CARE IS NOT A GENDER ISSUE – IT’S ABOUT THE ECONOMY**

Chief Executive Women (CEW) supports the general aims of the Government’s new child care reforms as an “important first step in addressing Australia’s need for increased female workforce participation for the benefit of our community and our economy”, said CEW President, Diane Smith-Gander. “I am pleased to see that the Government has responded positively to our calls for greater access to affordable, flexible, high quality child care.”

CEW views such childcare access is an essential driver of:

- greater workforce participation for both women and men
- yielding a full return on the community’s investment in education and training of all workers
- a sustainable ongoing birthrate to support Australia’s future wellbeing
- assisting children with special needs to prepare for school and avoid welfare dependency.

Diane Smith-Gander said: “Boosting workforce participation rates of women isn’t a gender issue, it’s an economic issue. The shift in thinking about child care as a facilitator of workforce participation rather than welfare is essential for the sustainability of Australia’s economic future.”

CEW supports the concept of a work test but warns that it needs to be applied in such a way as to enable parents who are searching for work to access affordable childcare. It also supports the cap in payments when incomes exceed \$185,000 and the safety net for parents with incomes less than \$65,000.

“The removal of the disincentive for parents with low to middle incomes to increase their working hours is of particular importance,” said Smith-Gander. “We hope that the application of the sliding scale of payments in respect of the benchmark price is implemented in a way that ensures there is a real incentive to enter the workforce and to increase hours in the work force.”

CEW also points to the importance of the Government’s recent announcement of a \$246 million two-year pilot program to extend subsidy support to home care by nannies for families who struggle to access affordable child care services when working, studying or looking for work.

“This, too, has the potential to be a key enabler of greater workforce flexibility and therefore productivity, as well as participation,” said Smith-Gander.

CEW commends the Government’s acknowledgement of the intrinsic value of high-quality pre-school education, as reflected in its previous announcement of the two-year extension of funding to facilitate access of 15 hours a week of pre-school education a year in 2016 and 2017.

“However we urge all in both state and Federal Governments to use this period to evaluate seriously the benefits to the community and the economy of further enhancing access to quality pre-school education,” said Smith-Gander.

On the subject of Government paid parental leave, Smith-Gander said the combination of taxpayer and employer contributions was a necessary ingredient for the sustainability of parents’ working lives.

“It is disappointing to see this characterised by the Treasurer today as ‘double-dipping’. The continuation of the Government parental leave payment of \$11,500 for an 18 week period, supplemented by employer contributions wherever possible, is also an important enabler of enhanced workforce participation and of continuity of superannuation contributions to prepare for self-funded retirement,” said Smith-Gander.

CEW calls on the Government to review its stance on this issue to bring it into line with its other policies that encourage parents to enter and stay in the workforce.

[Chief Executive Women](#) is committed to advancing the economic status of women in Australia as women leaders enabling women leaders.

The *Intergenerational Report* (2015) argues that Australia’s future prosperity rests on our ability to attract more women into the workforce. The current workforce participation rate for men rests at 71%, compared with 58.6% for women. According to the Grattan Institute, raising the female participation rate by 6%, to equal that of Canada, will add \$25 billion to Australia’s GDP.

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