

## **MEDIA RELEASE**

For immediate Release

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### **Rising Cost of Child Care – ACA Says Families Need Help Now**

The Australian Childcare Alliance (ACA) is concerned that families are struggling to deal with the increased costs of child care, while the child care subsidy reform is continually delayed in Parliament over the savings measures and other social services provisions contained within the Omnibus Bill.

“The ACA calls on the Members of Parliament to support the ACA’s recommendation to split the Jobs for Families package from the Omnibus Bill, to assist in the successful passage through Parliament.” ACA President Paul Mondo said today.

“As we stated in our Pre-Budget Submission to Treasury, a reform of such importance should not to be linked to other savings measures. We firmly believe that the Jobs for Families package will contribute significantly to the lives of Australian families and the Australian economy at large, and therefore pays for itself in its own right.”

“Whilst the ACA appreciates the need for careful consideration and robust debate over the provisions of all social services reform, we strongly believe that child care subsidy should not be caught up in a larger debate about other welfare cuts.” ACA President Paul Mondo said today.

“The rising cost of child care and the increased financial pressure on families is not up for debate. We know that the average hourly child care fee across all service types has increased by 7.6 per cent since the 2015 June quarter.”<sup>1</sup>

“The reason for these increased costs can be largely attributed to an increase in child to carer ratios at the beginning of 2016 as the National Quality Framework continued its implementation.” Mr Mondo said.

For all its positive outcomes, the National Quality Reform Agenda has been the most significant factor in the affordability crisis impacting families, stemming from the fact that successive governments did not provide an adequate funding framework for families in parallel with the reform agenda.

The current CCR Cap of \$7500 has not changed for almost nine years and has not kept up with the implementation costs of the National Quality Framework (NQF) over this time.

“We are at a critical stage in terms of child care affordability. The ACA urges the government to address the immediate financial pressures families are facing. The Jobs for Families package, with our recommended changes, provides the opportunity for the additional investment required to provide this relief.” Mr Mondo said.

ACA support for the Jobs for Families package is directly linked to the following proposed amendments:

- Increasing the minimum level of access from 12 to 15 hours per week where one parent does not meet the activity test

<sup>1</sup> Page 11 of ‘Early Childhood and Child Care in Summary June quarter 2016’, Department of Education and Training, available at [www.education.gov.au/child-care-update](http://www.education.gov.au/child-care-update)

#### **Australian Childcare Alliance**

A Suite 6, 539 Highett Road, Highett VIC 3190 P 03 9532 2017

President Paul Mondo (VIC) 0411 587 170 [President@childcarealliance.org.au](mailto:President@childcarealliance.org.au)

Vice President Nesha Hutchinson (NSW) 0412 085 068 [Nesha.Hutchinson@childcarealliance.org.au](mailto:Nesha.Hutchinson@childcarealliance.org.au)

#### **State Presidents**

QLD/ACT	Majella Fitzsimmons	0410 526 136
NSW	Lyn Connolly	0425 225 275
VIC	Paul Mondo	0411 587 170
WA	Ann Chemello	0433 498 147
SA	Kerry Mahony	0419 819 754

- Increasing the income threshold from \$65,710 to \$100,000 before the activity test is applicable
- Ensuring that Aboriginal and Torres Strait Islander (ATSI) families are supported appropriately in accessing ECEC, be it through Budget Based funded services or increased accessibility to an ECEC service
- Providing a 6 week transition period when parents circumstances change, to ensure continuity of access for children and allow parents to address the change in circumstances before having to withdraw their children from ECEC

“Ensuring children across Australia have access to quality and affordable early childhood education and care means they have the best possible start in terms of school readiness and establishing a lifelong love of learning. It also stimulates the economy through increased workforce participation,” Mr Mondo said.

“Whilst the current system has its failings, the proposed package also has areas for improvement. Meanwhile Australian families can’t afford to wait for another round of consultation and package design.”

“Even if the new package is passed, families still have more than 12 months to wait before additional support. These issues affect more than 800 000 families across the country, and that number is increasing by the day. It is important that we make this happen without further delay.”

The ACA will continue to engage with all parties and call on the Members of Parliament to support the ACA’s suggested amendments.

“These issues affect more than 800 000 families across the country. We would like to see an amended Jobs for Families Bill passed in Parliament as soon as possible to ensure that all Australian children have access to quality and affordable early childhood education and care”

The ACA calls on the Members of Parliament to support the ACA’s and the sector’s recommended amendments and allow the Jobs for Families package to pass.

“We stand ready to work with all parties to ensure that the Federal Government invests in our future through immediate, meaningful policy and budgetary solutions” Mr Mondo concluded.

## ENDS

Media enquiries: Paul Mondo 0411 587 170 or Nesha Hutchinson 0412 085 068

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## BACKGROUND

As the national peak body in the Australian Early Childhood Education and Care (ECEC) sector, the Australian Childcare Alliance (ACA) represents more than 2,500 members and approximately 360,000 families throughout Australia.

We work on behalf of long day care service owners and operators, predominantly private, to ensure families have an opportunity to access affordable, quality ECEC throughout Australia.

The ACA has existed in various forms for more than 30 years and has extensive experience in the fields of early childhood, education, training and management. Our experience means that we understand the critical role a quality ECEC program plays in the life of families and the importance of a viable long day care sector in preparing children for the best start in life and learning.

The ACA's national and state bodies work collaboratively with all levels of government, regulatory bodies and other stakeholders to ensure that families are supported into the future with a sustainable, affordable and viable sector, with a focus on the best interests of Australia's young children.

Over the past four years the ACA has been closely involved in the development of the JfF package, making submissions to the Productivity Commission Inquiry, supporting consultation with the sector and with families, and providing advice to the federal government on the proposed reforms via two Senate enquiries.

More recently, in September 2016 ACA provided a submission regarding this package to the Senate Employment and Education Legislation Committee, along with a joint submission developed in conjunction with Early Childhood Australia, Goodstart Early Learning and Early Learning and Care Council Australia.

Key items for review include the income threshold for the base entitlement, the activity test, and access to early learning for Aboriginal and Torres Strait Islander (ATSI) children.

The complete list of key recommendations is set out in the *ACA Response to Senate Inquiry Into Provisions of Jobs for Families Child Care Package Bill 2016*, available from the [ACA website](#).

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