



MEDIA RELEASE

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Working families and the early learning (child care) sector now recognised by all parties: Disadvantaged children still falling through the cracks

Australia's peak body for early learning (childcare) services, the Australian Childcare Alliance (ACA), commends Labor's budget-in-reply response that highlights just how critical the early learning (child care) sector is in supporting greater workforce participation.

"This pandemic has pulled the curtain back on the critical role our sector plays in supporting our economy and allowing all working parents - emergency and healthcare workers amongst them – to return to the workforce and contribute to the recovery and growth of our economy," ACA President Paul Mondo said.

"Throughout the pandemic, our members have provided a safe haven for Australia's children, and their families, who relied on our early learning services remaining open," Mr Mondo said. "We strongly support an increase in government funding for those families who need it. In a time of high unemployment, affordability shouldn't be a barrier for families who have the opportunity to work and therefore need additional days at their early learning service."

ACA has long advocated for changes to the Child Care Subsidy (CCS) to provide greater support to Australian families in accessing early learning (child care) services. The changes we propose are also backed by the recommendations from KPMG and Chief Executive Women¹, which include lifting the CCS to 95% for households earning up to \$80,000.

"We welcome Labor's proposal to increase investment in Australian families by increasing the subsidy rate to 90% and call on all parties to fully embrace the evidence-based recommendation of the KPMG report," Mr Mondo said. "We support other elements of Labor's plan, such as removing the CCS cap and increasing the income threshold to include more families. We believe both actions are in the economic best interests of working families and indeed the country."

However, we'd like to see both parties commit to relaxing the Activity Test to provide all families with two days a week of early learning. This would greatly benefit our most vulnerable children."

"It is an irrefutable fact that as the sector has undertaken significant reform, particularly in relation to increased qualifications and staff to child ratios, this has resulted in increasing costs to families." Mr Mondo explained.

"ACA is committed to working with both parties in ensuring downward pressure on costs. This includes addressing the problem of rental hikes on service providers, often unfortunately timed with CCS increases, therefore eroding the subsidy increase benefit to families. A sector as diverse as ours features a varied and complex set of drivers which result in the current fee arrangements, and this must be considered in any discussion on regulation of fees."

¹ New research supports an increase in financial assistance for families accessing childcare - KPMG-CEW report applauded by the Australian Childcare Alliance - <https://childcarealliance.org.au/media-publications/aca-media-releases/143-aca-media-release-new-research-supports-an-increase-in-financial-assistance-for-families-accessing-childcare-07-09-2020/file>

"As the bedrock of Australia's economy, the early learning sector has fought hard to protect the children in their care and their families during this once-in-a lifetime pandemic."

"We will continue to work with all political parties to ensure that **every child in Australia** has access to high quality, affordable and sustainable early learning (childcare) services, and therefore the **best start in life.**"

ENDS

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Background

The Australian Childcare Alliance (ACA) works on behalf of early learning (long day care) service owners and operators to ensure families have an opportunity to access affordable early childhood education and care (ECEC) throughout Australia.

Our national and state bodies work collaboratively with all levels of government, regulatory authorities and other stakeholders with an evidence-based approach, to ensure that families are supported into the future with a sustainable, affordable and viable ECEC sector.

Affordable access to early learning services is a huge priority for many Australian families with young children, as well as those planning to have children.

The benefits of high-quality early learning are now well recognised and acknowledged locally and globally across the education sector, as well as **among families**.

There is a wealth of academic research that demonstrates that children who enjoy quality early learning are likely to be well socialised, confident, inquisitive about the world, accepting of diversity, resilient to manage challenges and also to be life-long learners.

ACA believes that with the right policy and financial frameworks in place, we could ensure that **every child in Australia** has access to high quality, affordable and sustainable early learning (childcare) services, and therefore the **best start in life.**

Australian Childcare Alliance

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