



Early Childhood Australia
A voice for young children

**OUR
VISION:
EVERY
YOUNG
CHILD IS
THRIVING
AND
LEARNING**

MEDIA RELEASE

Wednesday 22 March 2017

Changes still needed to Childcare Package now that it's split from the Omnibus bill

Early Childhood Australia (ECA), the national peak advocacy body for children from birth to eight years, welcomes the decision to split the Child Care Reform Package from the Omnibus Welfare Savings Bill but says key changes are still needed to ensure children who most need access to early learning don't miss out.

'Early Childhood Australia is very pleased that the government has listened to the community and the concern of many Senators and will split the Childcare Package out of the Omnibus Welfare Savings Bill,' said ECA CEO Samantha Page. 'The childcare subsidy reforms will go a long way to easing pressures on families struggling to meet the cost of necessary childcare.'

ECA and twenty-two other Early Childhood organisations are calling on the parliament to amend the Child Care Package to ensure that all children in the community are able to access two days of early childhood education, and that Indigenous children, who start school twice as vulnerable as the general population, are able to access three days per week.

'It's reassuring to see in the Senate Inquiry report that our proposal to increase the base entitlement of subsidised child care from 12 hours to 15 hours per week is under strong consideration,' said Ms Page. 'This would mean our most vulnerable children have the chance to access two days of early learning, regardless of their parents work or study situation.'

The key amendments in a joint submission by the 23 early childhood organisations to the Senate Inquiry into the Omnibus Bill are:

- **Increase the base entitlement from 12 hours to at least 15 hours per week of subsidised early learning** to ensure that children can have continuous access to two sessions across two days, even when families do not meet the activity test.
- **Increase the household income threshold for the base entitlement from \$65 710 to \$100 000** to ensure consistency with the threshold for other family payments and ensure consistency of access for families, especially those in low paid work or irregular employment.
- **Increase the subsidised hours of care for Aboriginal and Torres Strait Islander children from 12 hours to 22.5 hours** to support meeting Close the Gap targets on participation in early childhood education. Aboriginal and Torres Strait Islander children are almost twice as likely to start school developmentally vulnerable.
- **Increase flexibility of the activity test** to allow for changing family circumstances by allowing a six-week period of transition where a family's entitlement to the subsidy has changed.

We also call on the government to develop a strategy to address the gaps in access and participation for Aboriginal and Torres Strait Islander children and families in recognition that these children are twice as likely as non-Indigenous children to start school developmentally vulnerable, and there is a gap of 15 000 places.

‘The long term economic and social benefits of ensuring our most vulnerable children can access quality early learning are well documented—it will be a net saving in the long term’, said Ms Page.

‘We look forward to seeing the details of the revised Bill, however we argue that there is no need to link child care to the other welfare reforms that are on the table. The Child Care Package has already been shown to pay for itself.’

‘In the longer term, a [PwC report](#) to the Productivity Commission shows that increased workforce participation by parents will add \$6 billion to the GDP, and increased education equality for children will add more than \$10 billion.

‘There will be no long-term budget pain in funding the \$1.6 billion childcare reforms, because on the increased tax returns from mothers returning to the workforce and future increases to GDP of improved education outcomes for children,’ concluded Ms Page.

Early Childhood Australia is the peak advocacy body for children under eight, their families and early childhood professionals.

Download the joint submission to the Senate Inquiry [no 14]:

www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/OmnibusSavingsReform/Submissions.

For more information contact: Carolin Wenzel 0475 554 999