



Early Childhood Australia
A voice for young children

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

MEDIA RELEASE

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Some relief in sight for early learning services, as minister changes ECEC Relief Package

Early Childhood Australia (ECA) believes that the Australian government's decision to provide additional financial support for services struggling under the Early Childhood Education and Care Relief Package will bring welcome relief to some, particularly In Home Care (IHC) providers.

Yesterday, Minister for Education Dan Tehan announced an extra \$12.8 million for In Home Care providers and for some early learning and care services that are missing out on JobKeeper payments. This is a sound response to some of the complexities arising from the Relief Package.

'Lack of universal access to JobKeeper has weakened the effect of the Relief Package, which was designed to work hand-in-glove with the JobKeeper scheme,' said ECA CEO Samantha Page. 'So these additional payments are absolutely necessary to keep all early learning providers viable.'

The additional funding for In Home Care is appropriate because these providers have different cost structures and operating models to centre-based services, and they are not receiving adequate funding to continue their work with vulnerable families and those in unique circumstances, including many shift workers in essential roles.

ECA was surprised that the minister's announcement did not include a more tailored response to the issues affecting Family Day Care providers, for whom difficulties in accessing JobKeeper have been exacerbated by the complexity of supporting the viability of both the coordinating schemes and the individual educators. We hope that they can benefit from the additional funding.

'With these changes to the Relief Package announced, we hope the government will now turn its attention to smoothing the path to the Child Care Subsidy, for services and families,' Ms Page said.

'The Child Care Subsidy was designed in a time of high employment and undersupply of early learning places. Mechanisms such as the activity test and means test were intended to ensure priority of access for families with regular work and the capacity to accurately predict their earnings each year.'

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‘The current design of the Child Care Subsidy is not fit for purpose in the post-COVID-19 economy where many parents will experience unemployment, underemployment and unstable or sporadic work. We cannot continue to rely on parents paying a significant component of the cost of care (30–40%), even when children are not attending, when so many households have lost income and face uncertainty in their earning capacity over the next two years while the country recovers.’

The architecture of the Child Care Subsidy is sound and modest adjustments can be made to respond to the current economic circumstances. A more generous level of subsidy (10% increase) would significantly improve affordability; removing the activity test would improve access; and it is possible to fully subsidise 20hrs/week to give all children regular access for two or three days of quality early education while families get back on their feet. These are some of the recommendations that ECA is putting forward to the Australian Government.

Investing now in early childhood education and care will help shield Australian families from the economic fall-out of the COVID-19 pandemic. Adjustment of the Child Care Subsidy has the potential to provide over one million families with access to some free or low-cost care each week without the risk of incurring childcare debts and it would save 200,000 jobs in the early childhood education and care sector – essential jobs that are predominantly performed by professional women who deserve recognition for continuing to work throughout this crisis.

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For interviews, contact Katie Golding, ECA Media Officer, on 0475 554 999

Early Childhood Australia is the peak advocacy body for children from birth to eight years, their families and early childhood professionals.