



Early Childhood Australia
A voice for young children

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VISION:
EVERY
YOUNG
CHILD IS
THRIVING
AND
LEARNING**

MEDIA RELEASE

Monday 8 June 2020

GOVERNMENT DISAPPOINTS WITH COMPLEX NEW 'TRANSITION PACKAGE' FOR EARLY LEARNING SECTOR

Early Childhood Australia (ECA) believes the government's removal of JobKeeper support for the early childhood education and care (ECEC) sector and plans to 'turn on' the old Child Care Subsidy (CCS) System are inadequate to help the sector or families navigate ongoing difficulties and do not address the system's acknowledged limitations

ECA CEO Samantha Page said 'The transition package creates additional complexities and uncertainties for both services and families'.

'The transition package will be a new hurdle for services wanting an answer to the question: "what will our income be for the next six months?" It does not address the fact that many families have entered a period of lower income and uncertainty about future income for the rest of the year.

The government announced that Job Keeper payments to the early childhood education and care sector will cease from 20 July and the CCS will be reintroduced from 13 July. The activity test requirements for parents will be eased from 13 July 2020 until 4 October 2020, with the presumption that 'families can resume the work, training and study they were undertaking before the pandemic'. However economic recovery remains highly uncertain and the pandemic is likely to have long-lasting effects on the economy according to a Reserve Bank of Australia [statement](#) (2 June).

'The Activity Test 'relaxation' will not provide free care—it will entitle a family to 100 hours of subsidised care, with the subsidy based on the family's annual income (which families will need to estimate for the 2020-21 FY),' Ms Page said.

ECA CEO Samantha Page says 'This change makes no sense at this time and will remove crucial supports for the early childhood sector during a period of ongoing uncertainty.

'We are very concerned that the Minister's decision will entrench the negative impact of Covid-19 on women and young children. It will also add to the chaos and uncertainty among early childhood education and care services,' said Ms Page.

'ECA is deeply concerned that, in a highly-female, low-paid workforce, Minister Tehan's comments today suggested that educators' incomes may fall as a result of removing JobKeeper payments' ([ABC News online](#)).

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‘Some ECEC services have only just navigated the complexities of receiving JobKeeper status and all eligible services will have budgeted on having JobKeeper available until the end of September 2020 – a position that was reaffirmed by the government as recently as last Friday during the Prime Minister’s media conference’.

Ms Page said: ‘There are many unexplained elements to this package, such as how the staffing guarantee will operate. Will the new transition payment prevent services from responding to changing needs or making decisions about fees or staffing?’

In order to receive special consideration under the Activity Test ‘relaxation’ provisions, both parents need to remain employed or engaged in recognised activities. ‘This means’ said Ms Page, ‘in a two-parent family, if one parent has lost their job, they will not be eligible for the ‘relaxation’ provisions – unless they are also meeting the Activity Test’.

‘We believe that early childhood educators and providers, and the children and families that rely on them at this critical time, deserve better’ said Ms Page.

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