

# New Child Care Subsidy – Bringing all families back into the picture

## RATIONALE

- We believe that every child in Australia should have access to high quality, affordable and sustainable early learning services and therefore the **best start in life**. This includes those children from **vulnerable and disadvantaged backgrounds**.

## CURRENT SITUATION

- The new Child Care Subsidy (CCS) was designed by the current Federal Government with a primary focus on assisting working families to increase workforce participation, as opposed to recognising the benefits of Early Childhood Education.
- The package does not provide a **minimum level of subsidised access** to early learning services for those children whose families do not meet the activity test, reducing their capacity to afford early learning services.
- ACA acknowledges that a significant number of **working** families are better off as a result of the implementation of the CCS.
- The activity test and its range of exemptions which may allow families access to the first step in the activity test creates significant complications for families to understand their entitlements and for Centrelink to administer the system.
- Like its predecessor, the CCS can fail a significant number of parents who would like to return and participate more in the workforce but are disincentivised by cost of early childhood education and care relative to their earning potential.

## RECOMMENDATION

ACA believes the new CCS package could be easily amended to support all Australian children, allowing **all families** access to high quality, affordable early learning services.

We call on all parties to support:

- A revision of the Child Care Subsidy parameters so that **all families** qualify for **18 hours per week** of subsidised access to approved provider early learning services, equivalent to meeting step 1 of the activity test.

