

# FACT SHEET



## Increasing affordability for all families

### THE ISSUE

The Australian Childcare Alliance commends the Australian Government's policy reforms over the past two years, which have allowed our sector to remain viable and affordable throughout the COVID-19 pandemic. These support measures have enabled early learning service providers to continue providing a safe haven for Australia's many children and families who rely on our Early Childhood Education and Care (ECEC) services.

The recent removal of the annual Child Care Subsidy (CCS) cap for many families and the increased support for multiple-child families allows for greater work options for parents through their ability to access more affordable early learning (child care) services.

Additionally, the Australian Government's long-term commitment to preschool funding beyond year-to-year agreements, to support preschool (kindergarten) programs delivered in all settings including long day care is a positive outcome that will allow Australia's youngest children to reap the rewards of attending quality preschool programs for years to come.

### The barriers to ensure equity of access

We know some barriers to affordability **still remain**, which must be addressed by the incoming Australian Government. These include:

#### ■ Activity test:

- The activity test excludes too many vulnerable families with young children who do not qualify for a minimum level of subsidised access due to their work/life situation. These children are already disadvantaged. They need to be better supported not further discriminated against by being denied the same equity of access to quality care and education.

#### ■ Out of pocket child care costs:

- These additional costs create a financial disincentive for parents across all family income levels to increase their work hours or return to work, with women's workforce participation suffering the most.
- CCS hourly rate has not been reviewed as planned, due to the unforeseen circumstances of the COVID-19 pandemic. The current rate introduced in 2018 has not been increased beyond minor CPI increases and we believe is no longer adequate at maintaining affordability.

#### ■ ACCS Transition to Work initiative:

- This is not widely known about among those families who need it. This is a lost opportunity for these families who may withdraw their child in the absence of realising there is this support resource.



## SOLUTIONS

We call on all political parties to We call on all parties to commit to this “Early Childhood Access & affordability package”:

- Remove the CCS activity test to support all Australian children, to allow all families access to at least 18 hours (2 days) a week of subsidised high quality, affordable early learning services (childcare).
- Extend the multi-child Child Care Subsidy (CCS) increase for all families with two or more children accessing an early learning (childcare) or Outside School Hours Care (OSHC) service regardless of the age of the older child.
- Undertake a review of the CCS hourly cap rate with a view to increasing it to ensure it delivers its intended aim of maintaining affordability for families.
- Enhance early learning opportunities for 3 year olds and build on the benefits of equity of access high-quality preschool programs.
- Introduce a new category within ACCS (Child Wellbeing) which would allow an immediate, efficient response to local emergencies such as bushfires, floods or other relevant circumstances in a targeted way.
- Promote the **ACCS Transition to Work** option widely among eligible families.

With over **360,000 families** in our care, ACA believes all of Australia’s children have the right to the **best start in life**.