

Media Release

For immediate Release
12 May 2015

Budget fails to respond to the immediate needs of families

The Australian Childcare Alliance (ACA), the peak body for privately owned early childhood education and care services in Australia, has reiterated its support for a number of measures in the 2015-16 Budget, but is disappointed it does not provide any immediate relief for families enduring the current affordability crisis triggered by workforce participation pressures and the consequent demand for high quality education and care for their children.

“We support the \$3.5 billion childcare package announced in this budget, but we continue to be concerned that the majority of reforms will not be introduced until 1 July 2017”, Ms Bridge said. “The fact that the Budget Papers highlight a \$552million reduction in payments of Child Car Rebate and Child Care Benefit over the four years to 2017/18 is evidence of children being withdrawn from the sector”.

“The freeze on indexation for the Child Care Benefit has already been in effect and hurting families for six years” Ms Bridge said. “By 2017, the Child Care Benefit will have been devalued over an extensive period of eight years, yet families are still expected to fly the flag and wait until 2017 to receive any benefits brought about by the proposed changes”.

“This budget may put in place initiatives that will help some parents in the future, but for those struggling week to week and trying to get back to work, this budget is full of promises that may never be realised”, Ms Bridge said.

ACA is also concerned that the activity test for eligibility under the new Child Care Subsidy (CCS) payment will contradict other investments made in this budget.

“The introduction of preschool and kindergarten programs in long day care under the National Partnership on Early Childhood Education has seen strong increases in participation rates in a number of states and this has had a direct impact on NAPLAN performance of these children in later years. We believe changes to the activity test may disadvantage some families and make participation impossible”, Ms Bridge said.

ACA is disappointed that the Australian Government is continuing to support the introduction of reforms to educator-to-child ratios on 1 January 2016 that will unnecessarily force an increase in fees on parents.

“There is a simple solution that will prevent further pain in the immediate future for families and that is for Minister Morrison to work constructively with his State and Territory ministerial colleagues to put a hold on changes to ratios until these new budget measures can be introduced in July, 2017 and make it into the pockets of families”, Ms Bridge said.

“However, given that 83% of approved providers across the country operate only one service, the small business measures announced tonight will help many early childhood education and care services”.

“Between now and 2017, the Federal Government has an opportunity to introduce immediate solutions to address affordability concerns; as well as supply and demand issues brought about by planning failures” Ms Bridge said. “There is a massive risk in hedging your bets on reforms that may or may not be supported by the Senate, so these are uncertain times for services and families alike” Ms Bridge concluded. **Ends.** For comment contact Gwynn Bridge - 0418764779

Australian Childcare Alliance

A Suite 6, 539 Highett Road, Highett VIC 3190 P 03 9532 2017
President Gwynn Bridge (Qld) 0418 764 779 gwynn.bridge@childcarealliance.org.au
Vice President Judy Aitkinson (SA) 0411 533 706 sa@childcarealliance.org.au

State Presidents

QLD/ACT	Jae Fraser	0408 873 492
NSW	Nesha O'Neill	0412 085 068
VIC	Paul Mondo	0411 587 170
WA	Lisa Godwin	0433 498 147
SA	Kerry Mahony	0419 819 754
NT	Sandra Hill	0419 350 992



Australian Childcare Alliance

Australian Childcare Alliance

A Suite 6, 539 Highett Road, Highett VIC 3190 **P** 03 9532 2017

President Gwynn Bridge (Qld) 0418 764 779 gwynn.bridge@childcarealliance.org.au

Vice President Judy Aitkinson (SA) 0411 533 706 sa@childcarealliance.org.au

State Presidents

QLD/ACT	Jae Fraser	0408 873 492
NSW	Nesha O'Neill	0412 085 068
VIC	Paul Mondo	0411 587 170
WA	Lisa Godwin	0433 498 147
SA	Kerry Mahony	0419 819 754
NT	Sandra Hill	0419 350 992