

Media release
For Immediate Release

Monday 7th September 2020

New research supports an increase in financial assistance for families accessing childcare

KPMG-CEW report applauded by the Australian Childcare Alliance

Australian families would be financially better off, and \$5.4 billion tipped into the economy, if the recommendations by KPMG and Chief Executive Women (CEW) were to be adopted by the Government.

Australia's peak body for early learning (childcare) services, the Australian Childcare Alliance (ACA), has commended the findings by the report "*The child care subsidy: Options for increasing support for caregivers who want to work*" that seeks to build on the recent Child Care Subsidy (CCS) reforms to better support working families and the national economic recovery.

"We welcome these sensible evidence-based recommendations, that aim to build on the **current system** to better meet the immediate needs of Australian working families, especially those doing it tough," the President of the ACA, Mr Paul Mondo explained.

The KPMG-CEW report proposes lifting the CCS to 95% for households earning up to \$80,000. It would then taper down (by 1% for every additional \$4,000 of family income) until a floor of 30% subsidy.

According to the independent economic analysis, this would boost affordability and accessibility, create up to 210,000 additional working days per week, boosting the nation's coffers by \$5.4 billion per annum.

"The benefits of high quality Early Childhood Education and Care (ECEC) for children and their ongoing development are now well recognised and acknowledged locally and globally," Mr Mondo said.

"The COVID-19 pandemic has also dramatically unveiled the critical role the ECEC sector plays in enabling Australia's workforce participation," Mr Mondo said. "With many families, particularly those on the frontline in health or essential service roles, relying on their early learning service in order to stay on the frontline."

"Nonetheless, we are in a once-in-a-generation recession and affordability is a key concern for many of our families," Mr Mondo said. "No child should fall through the cracks. We must do all we can to ensure every child in Australia has access to high quality, sustainable ECEC services and therefore the best start in life."

"ACA's long-standing position is to improve ECEC affordability for our families in the most efficient way possible for taxpayers. We can improve the CCS system, using existing infrastructure and giving families the freedom to choose the service that best suits their need.

"Australian families need an effective, practical and immediate solution to support them through the COVID-19 crisis and beyond. We are working closely with the Australian Government, who we know is indeed listening and has shown how responsive it can be, and will be, to the needs of families, children and to our economy," Mr Mondo said.

Australian Childcare Alliance

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The full report, *The child care subsidy: Options for increasing support for caregivers who want to work*, is available online at www.kpmg.com.au.

ENDS

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Background

The Australian Childcare Alliance (ACA) works on behalf of early learning (long day care) service owners and operators to ensure families have an opportunity to access affordable early childhood education and care (ECEC) throughout Australia.

Our national and state bodies work collaboratively with all levels of government, regulatory authorities and other stakeholders with an evidence-based approach, to ensure that families are supported into the future with a sustainable, affordable and viable ECEC sector.

Affordable access to early learning services is a huge priority for many Australian families with young children, as well as those planning to have children.

The benefits of high-quality early learning are now well recognised and acknowledged locally and globally across the education sector, as well as **among families**.

There is a wealth of academic research that demonstrates that children who enjoy quality early learning are likely to be well socialised, confident, inquisitive about the world, accepting of diversity, resilient to manage challenges and also to be life-long learners.

ACA believes that with the right policy and financial frameworks in place, we could ensure that **every child in Australia** has access to high quality, affordable and sustainable early learning (childcare) services, and therefore the **best start in life**.

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