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MEDIA RELEASE

Australia's peak body for early learning (child care) services welcomes the reforms to the Child Care Subsidy improving affordability for many families

The Australian Childcare Alliance (ACA) commends the Federal Government in today's commitment to provide additional funding for Australian families with young children via boosting the Child Care Subsidy (CCS).

The new government funding reforms will incentivise more parents to return to work and take on additional hours, by making early learning (child care) services more affordable for these families.

This includes the removal of the annual rebate cap for **families earning over \$189,390** plus bolstering the current CCS by **30% for the second (or more) child** attending an early learning service.

"The ACA – whose 4,000 member services care for over 360,000 families - has long advocated for the removal of the CCS annual cap as it has been a major disincentive for secondary income earners when deciding how many days they would like to work," ACA President Paul Mondo said.

"We have also stressed that for Australian families who have multiple children in early learning, affordability is a major challenge and often results in the secondary income earner remaining out of work until all of their children commence school."

ACA has been in close talks with the Federal Government over many months now to address affordability issues, which play a **key role** in allowing families to take up early learning services, ensuring that their children get the **best start in life**.

"Our sector is now widely recognised as the backbone of Australia's economy," Mr Mondo said. "Early learning services played a critical role in allowing essential workers to stay on the front line during the COVID-19 pandemic."

"We know that improving affordability of care for families has an enormously positive impact on Australia's economy. The improved workforce participation and the well-recognised benefits to children in the short term and long term make this a sound economic investment."

"The removal of the annual CCS cap for many families and the increased support for multiple-child families are the sensible next step in providing greater work options for parents," Mr Mondo said.

"Whilst there remains an opportunity for further refinements, we look forward to working with the Federal Government on implementing these reforms and identifying further opportunities to invest in Australia's children and their future," Mr Mondo concluded.

ENDS

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About the Australian Childcare Alliance

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.

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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