



4 May 2016

Federal Budget delays child care reform and continues uncertainty for preschool funding

Despite the Turnbull Government's rhetoric about supporting families, the 2016-17 Federal Budget delays promised child care investment and reform by a further 12 months - and the uncertainty continues for preschool programs beyond 2017.

"The Government's *Jobs for Families* package has been in development for almost two years and followed a Productivity Commission inquiry into the affordability and accessibility of early childhood education and care," said Mr Shane Lucas, CEO of Early Learning Association Australia.

"We have consistently said that the package contains some good things – more than \$3 billion of new investment and a better targeted child care subsidy paid directly to services – but the Budget now indicates that the package will not be implemented until July 2018.

"This is a twelve month delay on what the Government promised in December last year – and yet families and services need that support now to ensure affordability and viability of quality early childhood education and care."

The *Jobs for Families* package also includes Commonwealth funding to help meet the cost of providing 15 hours of preschool in 2016 and 2017. Under a National Partnership Agreement, the Australian Government provides one-third of the funding for 15 hours of preschool, and the States contribute two-thirds.

"The research is clear: a minimum of 15 hours of quality early learning per week in the year before school is critical to children's social and intellectual development," Mr Lucas said.

"The Productivity Commission also came to this conclusion –and yet the Government continues to refuse to commit to its share of the funding beyond 2017.

"This Budget means families and services are no more certain about the future of preschool beyond 2017 – and they are fed up with being caught in a 'Canberra versus the States' funding battle."

ELAA also remains concerned about the impact of proposed changes to the Activity Test requiring parents to undertake a certain amount of work or study to be eligible for child care subsidy. Currently, all children can access at least two days per week of quality early learning and care – but under the new Test, children from some families will only be able to access 12 hours per week.

"The Government wants the package to encourage more parents to return to, or commence work or study – but 12 hours per week is not two days by any common sense measure, if what you're trying to do is encourage people back into a real job in the real world," Mr Lucas said.

"Leading into a Federal Election, ELAA will continue to campaign on these critical issues on behalf of our members, families – and most importantly, young children."

Media contact: Shane Lucas, CEO, ELAA 0417 308 751 or 03 9489 3500