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MEDIA RELEASE

GOVERNMENT MUST REVEAL WHO WOULD BE WORSE OFF UNDER RESTRICTED CHILD CARE ACTIVITY TEST

Labor calls on the Abbott Government to outline exactly how many Australian families will be worse off under a restricted child care activity test, following reports today that Social Services Minister Scott Morrison will introduce new rules to reduce access to subsidised child care.

Restrictions on the current activity test would make it harder for families to return to work, and leave working parents – particularly those working part time - with less support.

It could also push some families out of the child care sector entirely.

When the Prime Minister announced his families package, he promised:

"more affordable child care with more money in parents' pockets" (Tony Abbott, 3 February 2015)

But the Minister's recent comments suggest some families might actually be left worse off.

There are currently 847,000 low and middle-income families that rely on the Child Care Benefit and it's time the Government said just how many of those families will lose access to subsidised care, or have their hours reduced.

Families deserve to know the details, but today's half-statements and thought bubbles show just how chaotic preparations for the Abbott Government's budget really are.

Labor calls on the Government to assure parents and the early education sector that any proposed changes will be in the interests of children, particularly vulnerable and disadvantaged children, and not take money away from low and middle-income families.

Labor has been clear from the beginning that we will only support child care proposals put forward by the Government if they are in the best interests of children's development, not just workforce participation.

We need an assurance from the Government that its changes will not push disadvantaged and middle-income families out of the system.

A recent <u>study</u> by PriceWaterhouseCoopers found that while increases in the accessibility and affordability of child care could make a significant difference to workforce participation, the long term benefits from ensuing quality early education and care, and from increasing access for disadvantaged and vulnerable children were even greater – boosting the economy by \$23.6 billion by 2050.

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