



**60 PER CENT OF AUSTRALIAN FAMILIES WILL HAVE A PARENT FORCED TO REDUCE WORK
WHEN CHILDCARE FEES RETURN & 68 PER CENT WILL BE WOMEN, SURVEY OF 2,200
AUSTRALIAN FAMILIES REVEALS
MEDIA RELEASE
1 June 2020**

More than half (60%) of Australian households currently using childcare will have a parent forced to reduce work when full childcare fees return, and in 68% of those households the parent who will stop or reduce work will be a woman.

A 'snap-back' to out of pocket fees will undermine the Prime Minister Scott Morrison's stated ambition to ensure women's workforce participation in Australia remains high in the COVID19 economic recovery.

The full results of a national survey of 2,200 families by *The Parenthood* expose the extent to which COVID19 has adversely impacted finances in Australian households and confirm the flow on effect for women will be particularly pronounced.

"Given increasing women's workforce participation is one of the most effective ways to boost a nation's GDP we cannot afford a mass exit of women at this point," Georgie Dent, The Parenthood's National Campaign Director said. "Unemployment is enough of an issue as it is, without any other Australian who is fortunate enough to still be employed being forced to step back or out of work altogether because they cannot afford to pay for the care and education their children need."

Almost half (42%) of families reported at least one parent earning less as a result of COVID, with 16% of respondents reporting both parents have seen income reduced. A third of parents (34%) reported they will need to reduce days or remove their children altogether if out-of-pocket fees come back to what they were pre-COVID.

The vast majority of families (70%) reported the government's move to make childcare fee-free for parents had had a positive impact on their family's finances.

Among parents who have lost income, 63 percent will be forced to reduce days or remove altogether if fees go back. For those families who will need to reduce the number of days their child(ren) are in ECEC, 60% will have at least 1 parent then need to reduce work and women who will shoulder the lion's share of this burden with over two thirds of households having the woman reduce or stop their work.

A third of parents (32%) who will need to reduce days have already had their employment negatively affected by COVID.

“These findings illustrate how significantly different the financial situation is for so many families right now compared to a few months ago,” Ms Dent said. ““Almost 80 per cent of parents said that even before COVID19 they had considered whether it was worth working full-time at all because of the cost of childcare.

“Considering the scale of job losses and income reductions now being experienced the fees will simply become prohibitive and the activity test will further punish families where one or more parent has lost work.”

Whilst the majority of parents have been able to keep their children in some form of early childhood education and care (ECEC) for the same amount of days as they had prior to this crisis – 1 in 10 who attempted further access were denied, the majority being shut out altogether.

“With reports of parents being locked out of early learning and care just when they need it the most, it confirms the government must act urgently to fix the current system, not talk of a snap back to the old system,” Ms Dent said.

ECEC services could not operate viably if a third of families pull their children from care, meaning mass closures will result. That puts Australia’s economic future - in both the short and long term - in jeopardy.

“A PWC report commissioned by The Front Project published last year concluded that \$2 of benefits flow for every \$1 spent on early childhood education,” Ms Dent said. “In 2017, for example, there were \$2.34 billion in costs associated with the provision of 15 hours of early childhood education in the year-before-school. From that \$4.74 billion in benefits were associated with providing this one year of early childhood education.”

The Parenthood is urging the government to extend the relief package with a number of key amendments to ensure family day services can operate, increase the subsidy paid to centres and ensure workers ineligible for JobKeeper are offered assistance.

END.

MEDIA CONTACT: For interviews with Campaign Director Georgie Dent call XXXX XXX XXX

BACKGROUND SUMMARY OF SURVEY DATA

- Total 2280
- Vast majority women – 94%

- Majority have child(ren) in a Long Day Care setting – 75%
- Majority have kept the same number of days of ECEC as they did prior to COVID (58%) but 11% reported trying to get more days/re-enrol but were denied.
- Vast majority of parents reported the Government's fee-free childcare as having a positive impact on their family's financial position 70%
- Almost half (42%) have at least one parent earning less as a result of COVID with 16% of respondents reporting both parents have seen reduced income
- A third of parents (34%) reported they will need to reduce days or remove their children altogether if out-of-pocket fees come back to what they were pre-COVID.
- 63% of parents who have lost income will be forced to reduce days or remove altogether if fees go back
- For those families who will need to reduce the number of days their child(ren) are in ECEC, 60% will have at least 1 parent then need to reduce work and it will women who will shoulder the burden with over two thirds of households having the woman reduce or stop their work. (68% of the parents reducing work are women)
- A third of parents (32%) who will need to reduce days have already had their employment negatively affected by COVID
- 66% parents reported the out-of-pocket costs of childcare before COVID were too expensive
- And just under half (46%) describe the Government's fee-free childcare response as about right.
- And 76% of parents who have discussed the cost of childcare as a family report that it's likely too high for either them or their partner to work full time.

The Parenthood has launched a campaign to stop the Government's plan to 'snap back' to the old system and instead fix the current arrangements to help ensure parents and children get access to the early learning and care that they need. [Click here](#) to join The Parenthood's campaign.

A not-for-profit organisation, The Parenthood is Australia's leading parent advocacy group with a reach of over 68,000 parents from across Australia.