



**GOVERNMENT SETS UP CHILDCARE SECTOR FOR A “SECOND WAVE” OF WITHDRAWALS WITH  
SNAP BACK TO THE OLD MODEL  
MEDIA RELEASE  
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The Federal Government’s decision to snap back to the old childcare subsidy model from July 13 will force thousands of parents to pull their children out of early childhood education and care (ECEC) because they won’t be able to afford it.

Today’s announcement reveals the Government either doesn’t realise or is choosing to ignore the financial hardship facing almost half of all Australian households.

The Education Minister Dan Tehan announced on Monday that the temporary relief package was no longer required because demand for ECEC has now reached ‘74% across the board’.

“This sits in stark contrast with the very clear message Australian families have been sending government for weeks that they are struggling financially and are no longer in a position to pay for the fees they could barely afford before the pandemic,” The Parenthood’s Campaign Director Georgie Dent said.

“The reality for families was that they were only able to continue their child’s access to early learning because it was free, now they will be forced with the heart wrenching decision to pull their kids out, making it almost impossible to look for work or work more.”

National surveys by *The Parenthood*, *Goodstart Early Learning* and *KU* released in recent weeks indicate that almost half of all families accessing ECEC have lost work or income since COVID19. Roughly a third of those families indicated that with the return of pre-COVID19 fees they would either reduce the days their children attend services or remove them altogether.

“That makes the idea of a 74% jump in demand for ECEC as Tehan explained very hard to reconcile with the return of full fees,” Dent said. “The idea that in four weeks time all of the households that are dealing with job and income losses will be in a position to ‘return to normal’ is fantasy.”

The increase in demand Tehan referred to was likely off the back of ECEC being more affordable under the rescue package and is unlikely to translate with the return of full-fees.

“The reality is that even in the best cases parents will be required to pay the same childcare fees they did before the pandemic from reduced income,” Dent said. “That’s very clearly going to trigger a slump in demand.”

“While relaxing the activity test for a period and offering ECEC services a transition fund is welcome reprieve for services that have struggled due to the inadequate funding of the rescue package - the government is effectively shifting the fix of that issue onto parents who can't afford it and will be pushed to the brink.”

“When introducing the rescue package Tehan himself described the old model as complex and difficult to understand and manage so the question that remains is, why, when we're still in the midst of a pandemic, is the government forcing a return? This is a missed opportunity to radically reshape early childhood education and care in Australia.”

**END.**

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

*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.*