

MEDIA RELEASE – 13 AUGUST 2018

NATIONAL SURVEY CONFIRMS CHILD CARE SUBSIDY SHOULD HAVE BEEN BETTER IMPLEMENTED

The Commonwealth Government’s transition to the new Child Care Subsidy (CCS) has been unprecedented in terms of the complexity of the new processes, the challenging timelines and the unexpected outcomes. It is also the biggest reform worth \$7bn for the early childhood education and care sector in 40 years for both service providers and families.

“Operationally, services were required to install new equipment, new software, new processes and of course train their staff. The difficulty service providers experienced in sourcing information prior to the implementation contributed to increased difficulties in ensuring that all elements of the transition were covered off,” said Mr Paul Mondo, President of the Australian Childcare Alliance.

Key results of the survey of childcare services showed:

- under 34% of respondents said they transitioned “well” or “really well”, and over 66% said “terribly” or “not so well”;
- over 43% said they experienced a smooth transition, and over 56% said they didn’t; and
- the top three biggest challenges were:
 - third party software issues;
 - financial considerations assessing how CCS would affect viability; and
 - assisting families in the transition process.

Respondents also reported that over 35% of families were better off, over 37% of families were worse off, and over 27% of families experienced no change from CCS. Respondents also suggested that over 68% of families experienced unexpected outcomes.

One of the most significant issues related to families not receiving the correct entitlements of 36 hour per fortnight of subsidised hours for their preschool aged children. This was caused by families not clearly being advised in relation to their eligibility and glitches resulting in families not having their fees subsidised as expected. This was further compounded by Centrelink staff not correctly understanding how this eligibility worked.

“In terms of the impact on families, it is too early to determine how better or worse off families are,” said Mr Mondo.

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The Australian Childcare Alliance (www.childcarealliance.org.au) is the national peak body in the Australian early learning sector, representing more than 2,500 members and approximately 360,000 families throughout Australia. ACA’s vision is a future where every child in Australia has access to high quality, affordable and sustainable early learning.

**For further media inquiries, please contact
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