



## David Littleproud MP

Federal Member for Maranoa

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### Media statement

March 28, 2017

#### **The new childcare reform package: What it means for Maranoa families**

BALANCING work or study and raising a family can be tough, especially as the increasing cost of childcare strains the household budget – that’s why the system needed a total overhaul and a new model to better support families has just been passed by the Federal Parliament.

To better support those who want to re-enter the workforce or study after becoming a parent, the childcare overhaul – known as the Jobs for Families Package – was passed by the Senate last week and Federal Member for Maranoa David Littleproud said it was a game-changer for families.

“Childcare costs were continuing to climb, making it an unaffordable option for many young families so that’s why this government has worked hard to fix the broken childcare model,” Mr Littleproud said.

“This package will inject an additional \$1.5 billion in childcare funding and will provide genuine reform for a simpler, more affordable, accessible and flexible child care system.”

The Jobs for Families Package will not only provide the greatest hours of childcare support to families who work the longest hours but also deliver the highest rate of subsidy to those who need it most.

“For example, a family who earns about \$60,000 a year – and whose childcare centre charges \$100 per day – would pay around \$15 a day per child for care,” he said.

“Not only has the government set an hourly rate cap, as a benchmark price, to ensure families are protected from unscrupulous providers but also introduced an activity test to provide support to those who are working, training, studying or volunteering.”

As part of the reforms, the Child Care Rebate cap will also be abolished to ensure families working longer hours aren’t limited by the amount of childcare they can access.

“As a father myself, I know this issue is a huge hurdle for families and the cost of childcare is a topic that’s often raised with me. That’s why this government has stepped in to better support families,” Mr Littleproud said.

“For many, access to childcare means the difference between working and not working. More affordable access to childcare puts the opportunity of work within reach for more families and this reform will go a long way to better support families juggling work or study with parenting.”

**FACT BOX Key elements of our reforms include:**

- Reforms include abolishing the current \$7500 Child Care Rebate cap to ensure parents on a family income of less than about \$185,000 aren't limited by a cap on the amount of child care they can access.
- Reforms give hardworking, lower income families an 85% subsidy, which tapers down to 20% for higher income families. There are no subsidies for those on family incomes of \$350,000 or more.
- Family eligibility for the Child Care Subsidy will be determined by a three-step activity test that more closely aligns hours of subsidised care with the combined amount of work, training, study, volunteering or other recognised activity undertaken.
- An hourly rate cap will set a benchmark price so Australians have a reference point to hold providers accountable and from which they can expect prices shouldn't dramatically exceed.

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