



**Media Release**

March 6, 2023

### **CHILDCARE TEST COSTING FAMILIES AND THE ECONOMY**

Findings by Impact Economics on the cost of the childcare activity test highlight SNAICC's calls for the test to be abolished and replaced with a fairer system that will help close the gap for Aboriginal and Torres Strait Islander children.

SNAICC CEO Catherine Liddle said Impact Economics' findings clearly show that the cost of childcare is costing the economy.

"SNAICC has demonstrated for many years how the activity test model presents an extra barrier to Aboriginal and Torres Strait Islander families already facing challenges accessing early childhood education and care.

"It's not just the financial costs that present barriers for our families. There is the administrative complexity of the system.

"Many of our families end up in debt because of this, and this in turn impacts Aboriginal community-controlled early years services who often have to absorb these debts.

"Abolishing the activity test was at the top of our election priorities for the Federal Government last year.

"We were pleased to see the Government recognise the burden of the activity test by increasing the hours of subsidised care our children can access in the October Budget.

"But all the evidence says what will make a real difference in making sure our children meet developmental milestones and are ready for school is scrapping the activity test.

"The findings by Impact Economics on the cost to the country of the activity test add even more weight to the calls of SNAICC and other Thrive by 5 partners to scrapping the test in the May Budget.

"We need a fairer childcare funding model that will close the gap on our children being developmentally ready for school and enable all children to access the benefits of quality early childhood education and care."

**Media Contact:** Mandy Taylor, 0414 634 159