

TRANSCRIPT

Monday, 8 June 2020

Minister for Education Dan Tehan press conference

SUBJECTS: Return to the Child Care Subsidy, JobKeeper, Universities and international students, Higher Education Relief Package, Protests

Dan Tehan: Thanks for joining me this morning. On 6 April, just over two months ago, we put in place a temporary child care package, because the child care sector was facing unprecedented challenges, and some providers were on the brink of collapse. And, can I once again thank the sector for the incredible way that they've worked over the last two months to provide care for young Australians during the coronavirus pandemic. Australia's success at flattening the curve, which has seen restrictions eased, businesses reopening, people being able to get back to work, and, importantly, schools resuming normal face-to-face teaching, has seen demand continue to grow for the sector. Our most recent survey shows that demand has hit 74 per cent across all parts of the sector, and services are keen to expand their offering to support more families.

Given this, the Government has taken the decision that the temporary child care package, which includes free child care, will end on 12 July. From 13 July, the Child Care Subsidy will return, along with new transition measures. To ensure Government support is appropriately targeted, JobKeeper will also cease for the sector from 20 July. Instead, the Government will pay child care services a Transition Payment of 25 per cent of their fee revenue during the relief package reference period – which is, as you would recall, the fortnight ending 2 March – from 13 July until 27 September to support the transition back to the Child Care Subsidy system.

There's a couple of other things that we will be doing. The last two payments scheduled for September will be brought forward to help with this transition and cash flow, and what this means is that there will be additional assistance of \$708 million being provided to the sector during this period. What we're asking of the sector is that child care fees will remain capped at the level of the reference period, for the fortnight which is the fortnight ending 2 March, and services will need to guarantee average employment levels over the three months to protect staff who will move off the JobKeeper Payment.

Now, the Government estimates it will pay approximately \$2 billion in Child Care Subsidy this quarter to eligible families. We will also make another important decision. The Government will also ease the activity test until 4 October, to support eligible families whose employment has been impacted as a result of COVID-19. Now, the activity test sets out the minimum number of hours a parent must spend working, studying or volunteering to qualify for the Child Care Subsidy. These families will receive up to 100 hours per fortnight of subsidised care during this period. This will assist families to return to the level of work, study or training they were undertaking before COVID-19.

Can I end by, once again, thanking the sector for the way that they've consulted with the Government on these changes. In a very short period of time, when we put the temporary package in place, the sector worked with the Government over a very short period, a number of days, to help us get the temporary child care package right. The sector has once again

worked with the Government, consulted with the Government, to make sure we get this transition package right. And, can I thank everyone for the feedback that they've provided as we've put this package together. Can I also end by thanking all those early childhood educators, again, who provided care for young Australians over the last two months. Happy to take questions.

Journalist: Minister, hundreds of thousands of people are still unemployed parents. Why is this happening now, as early as next month, when that's happening? Surveys as early as, as recent as two weeks ago, show a third of parents would need to reduce or pull their kids out from child care completely, should the free child care be turned off. What's your response to that?

Tehan: So, what we've seen as we've been able to flatten the curve, as we've seen restrictions eased, as we've seen people getting back to work, as schools have reopened, is that demand for places in the sector has increased. As I've said, over 74 per cent now is where the demand is at right across every part of the sector. So, what we need to be able to do is offer more places. Now, we put in place a temporary measure which was designed to help the sector that was, when it was on the brink of collapse, when demand was collapsing. What we now have to do is design a package which deals with increased demand, and that's what this package does. Now, a couple of other important points to make. The changes to the activity test will help those families who have seen either their work hours reduced or who have lost their employment. We also have the Additional Child Care Subsidy, which will be turned on with the Child Care Subsidy, which is there, also, to help families who have lost work. So, we think we have got the balance right with this transition package.

Journalist: Minister, the fact that you've made a \$718 [sic] million Transition Payment, does that betray the fact that you suspect that child care will be unaffordable for tens of thousands of families?

Tehan: No. What we're doing is ensuring that, as the sector transitions, that we're providing support to the sector, and, also, through other changes that we've made, that we're providing support for families. No one imagined two months ago that we would be in the position that we are. I think most people, most experts, thought that it would take at least four to six months for us to be in this position. So, what we've got to do is now put in a system in place which enables us to transition to be able to deal with the extra demand which is coming into the system. And, that's what this package is designed to do.

Journalist: You say we're seeing extra demand now, but part of the, a big part of the reason demand did drop was because hundreds of thousands of people have lost their jobs and they couldn't afford the fees. So, how will putting the fees back on help those people who've lost their jobs?

Tehan: Well, this is something that we've discussed with the sector at length. And, what we have done is, through the changes that we've made to the activity test, that will help us deal with that issue. So, what that will enable parents who have lost their work to do, is to be able to get access to support because of those changes we've made to the activity test. And, they are an incredibly important element of the package that we're announcing today.

Journalist: But, they still have to pay fees.

Tehan: So, when it comes to the activity test, they will have to pay the minimal fees, or the fees that they were paying previously. But, if they have seen reduced income, what the activity test changes mean is that those payments that they make will be up to the gap, and no more.

Journalist: Can you guarantee demand won't go backwards?

Tehan: Look, we can't guarantee that demand won't go backwards. But, what we can guarantee, through this package, is that we've done everything we can to support the sector transition. That we've consulted with the sector, listened to what they've said will be needed to make sure that demand will continue to grow. And, we think that we've got a package that will work for families going forward.

Journalist: Do you disagree that this isn't going to put pressure on a portion of parents, though? As we've just heard, they're still going to need to pay something, that is still different to it being free. Do you disagree that there won't be a portion of parents, that this is going to put financial hardship on?

Tehan: What we need to be able to do is put together a package which is sustainable into the future. And, what we've seen is demand grow and grow, over the last few weeks, so that we've needed to change the system. The system was designed for when demand was falling. Now, we're seeing demand increasing, and we think that we've got the balance right to support families, especially those families who have been impacted by COVID-19 and lost work or lost hours of work. So, we think that this package works to help and support those families. But, also, to help and support the sector that has seen demand grow and grow, over the last few weeks, and even over the last month.

Journalist: Minister, approximately how much is the JobKeeper proportion, that you're removing? I know you're putting in place a Transition Payment, instead. But, just so we can understand the net impact, what's the approximate amount of JobKeeper that you're removing?

Tehan: Well, we've got, obviously, we're still calculating that. But, the important thing to note here is that the sector were very keen to see that payment – what was the Business Continuity Payment, which is now the Transition Payment – be there, rather than JobKeeper. Because, their view is, that that is, spreads more equitably the support right across the sector.

Journalist: Is that more or less than the JobKeeper then [indistinct]?

Tehan: Look, we're still working that out. It probably will be a tiny bit less than what JobKeeper would be. But, what we need to be able to do is make sure that we can provide that support equitably across the sector. And, so, the discussions and consultations that we had with the sector, they thought that it was much better to continue with the old Business Continuity Payment, which becomes the Transition Payment.

Journalist: Will every centre, every service be able to access that \$708 million, not just those who are getting JobKeeper now?

Tehan: Yeah. So, every service will get that Business Continuity Payment.

Journalist: So, just to be clear, from July 13, parents will go back to paying what they were essentially paying before the COVID crisis struck. Is that right?

Tehan: That's right. The Child Care Subsidy system will be turned on, on 13 July.

Journalist: So, Minister, can I go back to what I asked before. If you think that the subsidy or having child, free child care has done its job, and yet you acknowledge that the sector needs a Transition Payment, are you, at the same time, saying that you think parents can now return to pay you? Given we know that unemployment is going to be as high as nine per cent, according to the Reserve Bank, as distant as December?

Tehan: What we're saying is that we need a transition package in place, and that is what we're putting in place – is a transition package. We're not saying that we can just go back to normal. We're saying that there is a need to transition, and what we're seeing is that demand has increased. And, demand has increased. So, our last survey, which was over 40 per cent of providers, showed that demand is at 75 per cent ...

Journalist: ... Well, because it was free ...

Tehan: So, a package, a package which was there as a temporary relief package, which was there for when demand is falling, now needs to transition, and that is exactly what we're doing.

Journalist: The question was, Minister, whether you think parents now can afford to pay it?

Tehan: So, what we're saying, and we've had strong consultations with the sector, is, through the changes that we've made here, that we will be able to support, not only families, but, the sector transition. And, that is what this package is designed to do.

Journalist: If someone who lost their job and is now on the JobSeeker Payment, plus the coronavirus supplement, so, they're getting approximately \$80 a day. If they have their kids in long day care, even if the subsidy is back on at the level it was, they're still having to pay \$50 a day, and they're only getting \$80 a day in income. How does that work for them?

Tehan: So, JobSeeker parents qualify for 72 hours of subsidised care, automatically. So, obviously, we want to do what we can to support them. But, we've got demand now, in the sector, at 74 per cent. So, we have to change a system, which was designed for when demand was falling, to one where demand was increasing, and that's what we're doing. And, we've done this in consultation with the sector.

Journalist: Minister, do you agree with Mathias Cormann's comments that the protests over the weekend were self-indulgent and reckless? And, do you think that the Government is still able, and you mention that there are signs of life returning across the economy, is the Government still in control of the process? Are people still listening to the official advice about the precautions we need to take?

Tehan: Well, what I can say is, right throughout this pandemic, my view and my strong view – and this has been the approach that I've taken on schools, it's the approach that I've taken when it comes to early childhood – is that we have to listen to the expert medical panel. And, that expert medical panel, their advice is what we should listen to. Now, obviously, they saw great risks with those demonstrations. And, I think, if we can, we should use much more

sensible approaches. For instance, when it came to Anzac Day, look at the way that we were able to commemorate through Anzac Day, and still make a very significant point that we were there to respect the services of those who, obviously, serve our nation. Now, I think, what those demonstrators should have done is thought about, okay, how, within the guidelines, could they protest, rather than the risk now, or the potential risk now, that they've put in place, in terms of increasing the chances of the spread of the virus.

Journalist: Given that, you know, you said from the beginning, this was a temporary child care, sorry, it was temporary and not sustainable. But, since then, we've seen an accounting error of \$60 billion. Could that now, not be put towards extending the child care, until unemployment goes down, and parents are well and truly out of the woods?

Tehan: What we did was put in place a very successful temporary measure, which saw 99 per cent of the sector remain open, and providing care for children, during the pandemic. Ninety-nine per cent of services remained open during that time. Now, that was put in place in a short period of time, with consultation with the sector. We have now consulted over a longer period of time, to put in place transition arrangements. So, I'm confident that these transition arrangements will still enable families to get the care that they need, will still support the sector to remain open and remain viable, and will help us as we transition out of the worst of the pandemic.

Journalist: With JobKeeper being removed for the child care sector, will the Government also look at removing it early for other sectors where demand has bounced back, ahead of September?

Tehan: Well, look, no decisions have been taken in that regard, and they'll be decisions for the Government. Obviously, the Government has said that there will be a review in June. So, there'll be, I'm sure that the Prime Minister and the Treasurer, after that review, will have more to say. But, this is specific to the child care package.

Journalist: But, that option is on the table?

Tehan: Well, the Government has said all along that the JobKeeper program would be reviewed in June.

Journalist: Minister, on higher education. We saw the Chinese Government say late last week there had been an alarming increase in racial attacks on Chinese people in Australia, and warned Chinese people not to come here, in a time when states and territories are trying to work out how to get foreign university students back into the country, back into the economy. How damaging are those comments for the sector? And, can I just ask you on the child care thing, as well. The Prime Minister has said that one of the most important aspects about education was having schools open so parents could get back to work. If parents are more out of pocket through child care payments, does that make it more difficult for them to get back into work?

Tehan: Well, the, what we've seen – as schools have reopened with face-to-face learning – we've seen more pressure come onto the child care sector. We've seen demand come onto the child care sector. So, that's why we've had to put transition arrangements in place. When it comes to higher education and those comments around racism here in Australia, obviously, that's something that the Government has strongly refuted. And, I continue to

work with the higher education sector as they deal with COVID-19. And, one of the first things that I'm very keen to see, is that campuses fully reopen in a COVID-19 safe way, here in Australia. Obviously, that's incredibly important for our domestic students here, and for the 80 per cent of international students who are here this year. So, we need to see that occur. And, then, obviously, we'll continue to work with the sector dealing with what we think is going to be increased demand coming into the sector, due to youth unemployment. The forecasts are that that's likely to increase. So, we have to make sure that the sector can deal with it. When unemployment, youth unemployment, increases, what you tend to see is also an increase in demand for higher education places. So, we've got to work with the sector on that. And, obviously, then there's that question about would we, will we, see a return of international students, whether later this year or next year.

Journalist: Minister, you say there's some, you want universities to open up again, but there are some universities that will be doing online lectures for the entirety of this year. That's their current plan. It's different university by university. What are you actually doing to get some uniformity on that, and to actually encourage them or incentivise them to set a date for the resumption of normal university, and also repair their funding shortfall?

Tehan: So, David, what I've been doing is strongly encouraging them to do everything they can to be open for semester two, and to work with their state and territory governments. Because, sometimes, some of the protocols that are in place make it more difficult for the universities to fully reopen in a COVID-19 safe way. So, we're working with the sector, and working with state and territory governments, to make sure that that student rich experience that people, that students want, on campuses, that they can get that. Understanding that, you know, large lectures, etcetera, won't be appropriate in a COVID-19 safe way. When it comes to working with the sector to support them, obviously on Easter Sunday we made a very important decision, which was to guarantee over \$18 billion worth of funding for the sector. Now, I will continue to work with them, because, obviously, we want to make sure, especially when it comes to meeting the increased domestic student demand that we think we'll see next year, that they're able to do that.

Journalist: Sorry, just one further question on that. You say that large lectures might not be appropriate. We've just had 20,000 people demonstrating over the weekend. If there's no spike in cases two weeks from now, won't that mean that large lectures are appropriate?

Tehan: Well, as I said, I think, you know, what the Government has demonstrated – and I think this has been a key to the success of us flattening the curve – is, has been that we will listen to the expert scientific advice, the expert medical advice, when it comes to this. So, when they say it's safe for those lectures to be able to open again for people of, you know, 100, 200, some lecture theatres hold 500, 600 people. When they say that it's safe for that to occur, then the Government will support that type of reopening.

Journalist: On the medical advice, on the weekend there were plenty of school students that were attending those rallies across the country. The AMA has said that people that attended those should now consider self-isolating for two weeks. Should school students do the same thing?

Tehan: Look, once again, I think what we need to do is listen to the medical experts. And, if the AHPPC offers advice in that regard, then it should be listened to. Now, my understanding

is that they're monitoring the situation at the moment. But, I think we need to go, step back and just understand how important it is that we listen to that expert medical advice. That's what's got us in the situation we are now. That's how we have successfully flattened the curve. That's why I'm standing here talking about a transition arrangement for the child care sector. And, I think, none of us in our wildest dreams, two months ago, when we were putting the temporary relief package in place, would have thought that we would be standing here two months later putting in place transition arrangements because we're seeing increased demand going into the sector. Increased demand now that it's at levels of 74 per cent. That medical expert advice has got us to the situation we are today. And, I think, it's beholden on all of us to continue to listen to that expert medical advice, because that's how we will get jobs back. That's how we will fully reopen our economy. And, that's how we will ensure we can get back to life as we know it as quickly as we possibly can.

Journalist: Minister, at least one federal politician attended the protests at the weekend. Given that we're going into a sitting week, do you think that politician should be allowed to come back to Parliament, and sit with everyone else? And, what would be your message to elected officials who are going against the state and the federal health advice?

Tehan: Well, I think that that elected Member of Parliament needs to think about that question, and think about that question long and hard. My advice to every Member of Parliament, whether they be federal or state and territory, would be the reason we are here today, the reason we've had the success that we've had, is because we've followed the expert medical advice. And, we need to continue to do that, because people's livelihoods are at stake if we don't. We've seen people lose work. We've seen people's liberty taken away from them. We've seen people not be able to attend a funeral of a loved one that they would have loved to attend. We've seen people not be able to visit their relatives in aged care facilities when they're in their last months of their life. So, we need to listen to the expert medical advice. That's how we've got where we are today. That's how we've been so successful. And, we need to keep doing it, because it's too important, too important now to throw all that away. Through what we've been through, it's too important to throw all that away. Thanks very much. I'll leave it there. Thank you.