

TRANSCRIPT

Tuesday, 9 June 2020

Minister for Education Dan Tehan interview with Lisa Millar, ABC News Breakfast

SUBJECTS: Return to the Child Care Subsidy, JobKeeper

Lisa Millar: Well, let's get more on the Federal Government's decision to end free child care and return to the old means tested subsidy model. For more, the Education Minister Dan Tehan joins us now from Canberra. Good morning, Minister. Can I start by asking you what modelling you have to show that this is not going to have a detrimental impact on the economy, given that so many women are likely to be more affected than men?

Dan Tehan: Well, Lisa, a couple of points on that. First of all, we know that through the child care system that we put in place nearly two years ago, that we've seen female participation in the workplace pick up as a result of the new model that the Government put in place. We've also done work with the sector, and the sector has done modelling, which also shows that we think that the system, the transition system that we're putting in place, will see demand stay in the system. So, we're confident that the transition arrangements that we've put in place will work, like the package that we put in place, the relief package that we put in place two months ago to help the sector, worked. Remembering, that that's enabled 99 per cent of the sector to remain open and provide that vital care that our young children needed throughout the pandemic. And, I, once again, want to thank the sector for the cooperative way that they've worked with the Government, as we've put this transition model in place.

Millar: Minister, there's so many things to unpack here, with this decision. The first of all being that, just last week, the Prime Minister was saying JobKeeper was there for six months till September. You really blindsided quite a few people in the industry. Did the Prime Minister misspeak?

Tehan: No, the Prime Minister was talking about the legislation that is there, which guarantees that the JobKeeper package will be there for six months. Now, we've always said that there would be a ...

Millar: ... I don't think people thought that he was talking about the legislation. I thought they were talking about JobKeeper being there for industries.

Tehan: Well, we've always said that we would review JobKeeper. We said that we would review it in June. We said that we would make changes if it needed to be more targeted. We had discussions with the sector, and it was seen that it was much more equitable to have a Transition Payment that went right across the sector, which enabled the sector to be able to transition from the relief package that we put in place to these new arrangements. And, it was because of that equitable nature of the payment, the 25 per cent payment that we have put in place, that the sector agreed that this was the better way for us to go. Now, obviously, JobKeeper will be reviewed, and decisions will be made on that after the review. But, this was done on consultation with the sector, and it was seen as a much more equitable way for us to be able to provide the transitional support that the sector needs.

Millar: Yes, you keep talking about the sector. But, there were a lot of people in the sector who actually weren't involved in those consultations, were surprised by this decision. Sam Page, who's the Early Childhood Australia Chief Executive, says it's risky to children and families and to service providers. So, it clearly hasn't been a unanimous backing from the sector, as you say.

Tehan: No. Well, look, there's over 13,000 people, providers, in the sector, a large proportion of those are, 80 per cent, are small businesses. So, obviously, the Government consulted broadly with the sector, and then we also had detailed conversations and detailed consultations with trusted people in the sector that we could work these things through. The sector did modelling on some of the proposals that we considered. So, you cannot consult with everyone. We've tried to consult as best we can. We did broad consultations ...

Millar: ... Yes. So, in those consultations and the modelling, are you expecting children to drop out of early learning? And, that then would lead to these – what the critics have always said – is that you're experimenting with children here, being the first industry to snap back, as the Government has wanted industries to do.

Tehan: Not at all. As you know, when we put our emergency relief package in place, that was designed to make sure that the sector remained open and remained viable. And, that's exactly what it achieved. And, what we've seen as a result of that, is that we've seen demand come back into the system. It's at 74 per cent now. And, as you ...

Millar: ... Because, it's free at the moment. So, what's going to happen to it when it's not free?

Tehan: And, as you mentioned before, what we're seeing now, with all schools reopened for face-to-face learning across the nation – and what great news that is today – what we're seeing is extra demand come into the system. So, we have to make sure that the system now can provide for that extra demand. We need it to put in place a system that worked for when demand was fallen. The survey we did of the sector has showed that worked, that 99 per cent of providers have opened, shows that that's worked. Now, we've got to make sure that we can transition for this increased demand. We've got to make sure that those children who need care can get it. And, if we don't do that, if we don't do that, children will miss out. So, this is designed to make sure that children who need care can get it, because we're seeing demand come into the system.

Millar: No one wants children to miss out. Dan Tehan, we'll keep across it. Thank you.

Tehan: Thanks, Lisa.