



3 April 2020

The Hon. Josh Frydenberg MP
Treasurer
PO Box 6022
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Treasurer

EARLY CHILDHOOD EDUCATION AND CARE RELIEF PACKAGE

I write in relation to the new Early Childhood Education and Care Relief Package announced by the Federal Government on 2 April 2020. The package will provide approximately one million families with free child care during the COVID-19 pandemic.

Cumberland City Council strongly supports the Government providing families with assistance during these difficult times. However, this plan in its current form will have a devastating impact on our Council's 17 early education and care centres and the 150 staff employed to provide services within these centres. Notably, this is because Council is not eligible to participate in the JobKeeper program.

It has been announced that, under the plan, the Government will pay 50 per cent of the sector's fee revenue up to the existing hourly rate cap based on a point in time before parents started withdrawing their children in large numbers, but under the condition that services remain open and do not charge families for care.

Families will not pay fees and council-run childcare centres will not receive the previous Child Care Subsidy, which leaves Council faced with the following challenges:

1. A 50 per cent decline in revenue, equating to \$500,000 per month.
2. Council is not eligible to participate in the JobKeeper program and will continue to pay staff salaries whilst faced with a 50 per cent decline in revenue.
3. An increased number of care applications exacerbating these adverse financial circumstances.
4. Requests for fee refunds could see Council lose an additional \$500,000 for March, in addition to the loss of revenue noted in point 1.
5. Implementing the \$0 fee with 2 days' notice puts Council in difficult situation.

Given the circumstances outlined above, we are very concerned that closing our Council-run centres may be the only option and I want to make it abundantly clear that this is not something we want to do. As a Local Government Area, Cumberland City has many families using these facilities, with mums and dads in the area relying on these services that we provide.

Cumberland City Council wants to support families and keep services open for those that require them to be able to continue working in essential and, in some cases, critical areas.

As a Council, we are a key provider to vulnerable families including low-income, socially disadvantaged, children under two years of age, and those with disabilities. Closing this service will have a significant impact on the families living in our area.

The Early Childhood Education and Care Relief Package was developed to complement the JobKeeper program. I ask that the Australian Government please permit councils to participate in the JobKeeper program to ensure that council-run early childhood education and care services will be able to continue serving their local communities.

Correspondence concerning this matter has also been sent to the Federal Minister for Education, The Hon. Dan Tehan MP, and the State Minister for Education & Early Childhood Learning, The Hon. Sarah Mitchell MLC.

Thank you for your consideration. Should you have any enquiries or require further information, please feel free to contact via email steve.christou@cumberland.nsw.gov.au or alternatively on my mobile 0419 651 187.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Steve Christou', with a long horizontal stroke extending to the right.

Clr Steve Christou
MAYOR