



AFFINITY EDUCATION  
G R O U P  
ABN 37 163 864 195

## ASX ANNOUNCEMENT

AFFINITY EDUCATION GROUP LIMITED

ASX:AFJ

20 February 2015

### Release of Productivity Commission report provides clarity on recommendations

Affinity Education Group Limited (ASX: AFJ) welcomes the Federal Government's release of the Productivity Commission report into future options for childcare and early childhood learning (Report). This Report provides government and industry with clarity as to the Productivity Commission's recommendations.

A key initiative put forward in the Report is the proposed changes into a combined subsidy (ECLS) provided by government. This initiative would see higher proportional support redistributed towards lower and middle income earning families (incomes below \$130,000), which would benefit those households and potentially increase their use of childcare and early learning services. Affinity Education's centres are diversified across a wide range of socio economic areas, so are well placed to take advantage of any increase in demand.

The Report also raises the potential introduction of a subsidy to nanny based schemes. While overseas experience indicates that in home nanny schemes do not benefit a significant portion of the community, such a scheme would need to be monitored and managed. Affinity Education has established robust systems and procedures consistent with existing regulations and would be well placed to expand its offerings to families, if additional markets became of interest.

Delivery of affordable childcare services remain central to meeting a large portion of future childcare service demand. Affinity Education will continue to actively engage with government and associated entities to ensure that the needs of families are supported.

The child care and early learning sector remains supported by strong trends in key areas, including the growing number of children in the target market (0-5yrs), and the growing number of females participating in the workforce.

ENDS

Justin Laboo  
Managing Director

#### About Affinity Education Group Limited

*Affinity Education Group Limited has been established to be a leading provider in the Australian market of high quality education and care to children aged six weeks to 12 years. Provision of these services includes long day care, before and after school care and occasional care.*