



Early Childhood Australia
A voice for young children

**OUR
VISION:
EVERY
YOUNG
CHILD IS
THRIVING
AND
LEARNING**

MEDIA RELEASE

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Budget delay for families is a chance to get Families Package right

The peak body for young children and their families, Early Childhood Australia (ECA) today said the deferral of the *Jobs for Families Package* in the Budget provides an opportunity to get the package right.

‘This an opportunity to improve the Package to ensure that all vulnerable children can participate in early learning and so that fewer families are adversely affected by some of the anticipated impacts’, said ECA CEO Samantha Page.

The implementation of the Package will be delayed a year until 1 July 2018, ‘due to Family Tax Benefit reforms required to fund the child care package not being passed’.

‘We do not agree with the rationale that harsh cuts to family assistance through Family Tax Benefit changes should be linked to increased investment in early learning. The benefits of investment in early learning for children, families and the economy stand in their own right.

‘However, we call on the government to use this opportunity to cure problems with the package by fixing the activity test and ensuring all children can access at least two days of subsidised early learning.

‘There is also more that can be done using innovation and technology to improve the Package. ECA stands ready to work with the government and the sector to identify improvements to better support both children’s participation and parental workforce participation—two equally important policy objectives.’

While the Package is being deferred, the Child Care Rebate will be indexed from 1 July 2017, the first time since 2011, providing some relief for families.

‘However, many families have already reached an affordability ceiling and the delay of this Package will mean it’s another two years before there will be significant relief—effectively \$1.14 billion in additional assistance to families has been lost¹ as a result of the delay.

¹ This is the difference between predicted spending on current childcare assistance and the proposed Child Care Subsidy in the package for the 2017–18 financial year.

‘This extra investment is needed to improve the affordability of quality early learning for children and families.’

ECA has supported key elements of the Package including:

- streamlined subsidy arrangements that ultimately should be easier for families to understand and access
- increased investment overall to improve affordability
- increased investment in inclusion support
- a less inflationary approach to subsidy provision that more closely aligns financial support provided to the hours of service that families use and the cost of service delivery.

Despite our broad support for the Package we have consistently raised the following concerns:

- The activity test (as currently proposed) will potentially exclude up to 130 000 children from early learning due to one or both parents being unable to maintain regular engagement in work, training or volunteering.
- The move from block grant funding to mainstream subsidy arrangements for services working with highly vulnerable population groups including Aboriginal and Torres Strait Islander families, has the potential to substantially reduce participation among young children that stand to gain the most long-term benefit from early education.

ECA also remains concerned about the withdrawal and cessation of all funding for professional development in early childhood education and care, which has not been addressed in the Budget. Some of these decisions were announced in 2014 but will take effect from 1 July 2016 with professional support funding and vocational training fee assistance programs all coming to an end.

‘The quality of the relationship between early childhood educators and children is the single biggest factor contributing to improved outcomes for children.’

ECA specifically called for a new Early Years Workforce Strategy in the 2016 Budget as the current Strategy will expire this year.

‘We are disappointed that ongoing workforce issues, like workforce shortages, skill development and wage competition have not been addressed.’

No ongoing funding was announced in the Budget for universal access to preschool in the year before full-time schooling beyond the end of 2017.

‘The Commonwealth needs to invest in durable and consistent Commonwealth preschool funding arrangements to increase the participation of children in quality early learning.

‘Australia’s international education performance will continue to decline if we don’t address the participation rates of children in early childhood education.’

Media contact Sam Page – 0488 883 687