



Early Childhood Australia
A voice for young children

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

MEDIA RELEASE

12 May 2015

Budget's Families Package delivers investment in Australia's future prosperity

Early Childhood Australia is very pleased with the Government's significant increased investment through the Budget in preschool, the Child Care Subsidy and the Child Care Safety Net.

ECA's CEO Samantha Page said the additional \$3.5 billion in the Families Package over five years would make access to early childhood education and care more affordable for a majority of working families from 2017.

'We know there are many families who are currently restricted from engaging fully in the workforce, so there is a compelling case for Government investment—and this budget delivers.'

'However, workforce participation is not the only reason to invest in early childhood education and care—improving children's development has long-term educational, health and productivity benefits for the whole of society.'

Ms Page said that the sector continues to be concerned about children and families potentially affected by a tightened activity test, particularly:

- **Children in families where both parents aren't working / don't meet the activity test**—will only have access to 12 hours subsidy (currently have access to 24 hours Child Care Benefit)
- **Children in families earning over \$65 000 and less than around \$150 000 where only one parent is in work**—will have no access to subsidies (currently have access to 24 hours of Child Care Benefit per week).
- **Children in families where one parent doesn't work sufficient hours (under eight hours per fortnight)**—will lose access to 24 hours of Child Care Benefit and Child Care Rebate.

'There are some mothers and fathers that don't always have the choice to work. Changes in circumstances can occur at any time and for some parents, employment is sporadic, unpredictable or unavailable.'

'Children can be unfairly affected by these changes and families may lose access to services despite their best endeavours. This is why Early Childhood Australia and other advocates have urged the Government to support a minimum of two days of early learning in a quality program to amplify children's development and provide families with stability.'

The Department of Social Services Portfolio Budget Statement in the Budget did not provide detail on the outcomes of the new system.

‘The lack of detail makes it difficult to understand how many children and families will be able access early learning over the next four years as a result of these measures, and how many will miss out.’

‘The other group that we are concerned about is children and families in rural and remote areas and Aboriginal and Torres Strait Islander children and families under the new funding arrangements.’

Preschool

ECA welcomed the Government’s \$840 million extension to the National Partnership Agreement on Universal Access to Early Childhood Education.

‘We are pleased to see a commitment to preschool funding and indexation over the next two years to boost children’s development in the year before school.’

‘We welcome the acknowledgement that there is still some way to go in improving access for vulnerable, disadvantaged and Aboriginal and Torres Strait Islander children to meet enrolment and attendance targets.’

Paid parental leave

ECA is concerned about the impact of removing the ability of parents to access both the government and employer parental leave schemes.

‘Research tells us, and every parent knows, that attachment between a child and their parent during their first year is critical for children’s long-term development’, said Ms Page.

‘The reduction in paid parental leave entitlements for families will have a significant impact on children and their families by substantially reducing the amount of time parents can afford to stay at home with a new baby.’

‘The other likely consequence is that many employers will withdraw from the provision of paid parental leave.’

‘We need leave policies that support children to bond with family in the first year and quality early childhood education in the second year and onwards to amplify children’s development.’

KidsMatter Early Childhood

ECA is pleased to see the Government’s continued investment in KidsMatter which is an initiative that plays a significant role in supporting schools and early childhood services to foster mental health, wellbeing and resilience in children.

‘The number of young people and adults with mental health issues has been increasing so it is important that we invest early and prevent problems developing later in life.’

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