



**Early Childhood Australia**  
A voice for young children

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

## **MEDIA RELEASE**

Monday 7 September, 2020

### **EARLY EDUCATION INVESTMENT IS THE KEY TO COVID-19 RECOVERY**

Early Childhood Australia (ECA) welcomes today's release of the report '[The Child Care Subsidy: Options for increasing support for caregivers who want to work](#)' prepared by KPMG in collaboration with Chief Executive Women (CEW).

The report recommends increasing the Child Care Subsidy (CCS) to cover 95% of the cost of child care (early education and care); with a second option that would ensure that all families receive no less than 30% subsidy. These are both positions that ECA supports.

'Increasing the subsidy to 95% would provide universal access to affordable early education and care for every child, regardless of their household income or parental activity,' ECA CEO Samantha Page said.

'Setting a floor of 30% CCS ensures that even in high-income families, the second income earner (usually female) is not disadvantaged by child care costs that outstrip their earnings,' Ms Page said.

KPMG estimates that investing in early education in care will deliver a great economic return, citing that an expenditure of \$5.4 billion could reap an economic benefit of \$7 billion.

This builds on recent reports from reputable think tanks including the [Grattan Institute](#) and the [Australian National University](#) (ANU) who have recently presented evidence that child care costs are too high and discourage workforce participation – particularly for women.

'There is a growing consensus that affordable child care is one of the best policy options we have for economic stimulus and recovery from the impact of COVID-19.' Ms Page said.

'The higher rate of subsidy would also be good for children because it would remove the barrier of cost and workforce activity that current prevents many children from attending quality preschool education programs in early childhood services.'

## **CONTINUES OVER**

Many Australians don't realise that 20% of children are at risk of poor educational outcomes because they are developmentally vulnerable when they start school. This is likely to increase due to the impact of COVID-19, which has meant a disrupted year for many young children.

Reports such as '[Lifting our Game](#)' and '[Two Years are Better than One](#)' have established there is a strong evidence base for improving access to early education to reduce educational disadvantage and improve Australia's education performance. There has never been a better time.

## **ENDS**

ECA CEO Sam Page is available for comment. For interviews, contact ECA Media Officer: Katie Golding 0475 554 999

### **Useful links:**

- The Child Care subsidy: Options for caregivers who want to work (KMPG)  
<https://assets.kpmg/content/dam/kpmg/au/pdf/2020/kpmg-child-care-subsidy-report.pdf>
- ECA pre-budget submission: <http://www.earlychildhoodaustralia.org.au/wp-content/uploads/2020/08/2020-21-Revised-pre-Budget-submission-ECA.pdf>
- Cheaper Childcare: A practical plan to boost female workforce participation (Grattan Institute)  
<https://grattan.edu.au/wp-content/uploads/2020/08/Cheaper-Childcare-Grattan-Institute-Report.pdf>
- Australian COVID-19 Policy Responses: Good for health equity or a missed opportunity? (ANU)  
<http://regnet.anu.edu.au/sites/default/files/uploads/2020-08/2020%2008%2021%20MCHG-COVID19PoliciesHealthE.pdf>

*Early Childhood Australia is the peak advocacy body for children from birth to eight years, their families and early childhood professionals.*