



2021–22 Federal Budget

Pre-Budget Submission from Early Childhood Australia

January 2021

About us

Early Childhood Australia (ECA) is a not-for-profit organisation that has been a voice for children since 1938. We have a federated structure with branches in every state and territory in Australia and our membership includes individual professionals, early childhood services and schools, as well as public, private and not-for-profit organisations that share a commitment to young children.

Our vision is that every young child is thriving and learning. To achieve this, we champion the rights of young children to thrive and learn at home, in the community, within early learning settings and through the early years of school.

Our work builds the capacity of our society and the early childhood sector to realise the potential of every child during the critical early years from birth to the age of eight. ECA particularly acknowledges the rights of Aboriginal and Torres Strait Islander children and their families, and the past and current injustices and realities for them around Australia.

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Overview

Early Childhood Australia (ECA) welcomes this opportunity to contribute to Australian Government deliberations on the 2021–22 Budget.

Our recommendations

ECA's recommendations for the 2021–22 Budget aim to benefit Australian children now and into the future through research and review; a stronger preschool funding commitment; more support for children's mental health and wellbeing; and improved access to quality early learning and care.

Research and Review

ECA Recommendation 1: Fund ECA to lead a consultation process to inform the review of the Approved Learning Frameworks commissioned by the Education Council.

ECA Recommendation 2: Fund ECA to engage with qualified early childhood educators and teachers working in other roles or careers to inform retention and re-engagement strategies.

ECA Recommendation 3: Fund an in-depth review and scoping of access to quality early childhood education and care in rural and regional areas.

Commitment to a five-year funding agreement for preschool

ECA Recommendation 4: Commit to a five-year National Partnership Agreement on Universal Access to Early Childhood Education.

Strengthen the emotional and mental wellbeing of children and educators

ECA Recommendation 5: Support early childhood educators to access and engage in the Be You initiative, which promotes the mental health of children from the early years to adulthood.

ECA Recommendation 6: Fund ECA to enhance professional development in trauma-informed care and practice and expand access for early childhood educators.

Improve children's access to early childhood education and care

ECA Recommendation 7: Increase the Child Care Subsidy (CCS) to a maximum of 95% for low-income families, tapering down to 30% for high-income families, to improve the affordability of early childhood education and care.

ECA Recommendation 8: Review the activity test.

ECA Recommendation 9: Increase funding for children with disability and additional needs in early learning and care services, to match increased demand.

ECA Recommendation 10: Provide additional funding to Aboriginal and Torres Strait Islander community-controlled early learning and family-support services.



Issues for the 2021–22 Budget

1. Research and Review

ECA Recommendation 1: Fund ECA to lead a consultation process to inform the refresh of the Approved Learning Frameworks commissioned by the Education Council¹.

ECA supports the announcement to update the two national approved learning frameworks under the National Quality Framework (NQF), the *Early Years Learning Framework* for prior-to-school settings and *My Time, Our Place* for outside school hours care. However, we believe it is essential that the process engages extensively and respectfully with early childhood professionals in addition to those with expertise in research. The review must blend and balance practical wisdom with academic understanding to engender broad support for and confidence in the next iteration of these important learning frameworks.

With funding, ECA would engage the early childhood sector in a consultation process on the *Early Years Learning Framework* and *My Time, Our Place*. The findings would inform the review of the Approved Learning Frameworks. ECA is well placed to lead a national dialogue because we are highly regarded in the early childhood sector and known for our commitment to quality improvement, professional development and thought leadership. We also have extensive reach across the sector, with a large and diverse membership of over 4000 individuals and services, another 35,000 active users of our ECA Learning Hub and more than 100,000 subscribers to our electronic newsletters. We estimate that we reach a third of all educators, teachers and service leaders on a fortnightly basis and we have the capacity to engage with every organisation that operates early learning services (not-for-profit, public and private), along with schools, registered training organisations and universities. We also understand the jurisdictional differences and unique operating contexts across Australia through our branch committees in every state and territory.

ECA successfully supported and promoted consultations on the Child Care Assistance Package in 2015 on behalf of the Department of Social Services (at a cost of \$450,000) and provided a consultation report summarising the feedback received. Over 1500 people participated in those consultations including educators, teachers, service leaders, academics, policy experts and parents with young children. Consultations were held in person across 25 locations and online through interactive forums and written submissions.

ECA also supported the implementation of both the *Early Years Learning Framework* and the NQF, hosting a series of national information and consultation events followed by a substantial government-funded professional learning program from 2008 to 2013.

ECA would welcome the opportunity to undertake a similar process to support consultation on the review of the Approved Learning Frameworks. This would involve working in partnership with government to coordinate face-to-face and/or online forums, online surveys of stakeholders, written submissions, webinars and provision of a consultation report.

ECA can provide a detailed and costed proposal to deliver this project on request.

¹ Education Council. (2020, 15 December). [Education Council Meeting Communique](#).



ECA Recommendation 2: Fund ECA to engage with qualified early childhood educators and teachers working in other roles or careers to inform retention and re-engagement strategies.

ECA supports the Australian Government's work on a new National Workforce Strategy, led by the Australian Children's Education and Care Quality Authority. We have been actively engaged in the consultation activities and development of strategies as we believe this will have a very positive impact over the long term.

Notwithstanding the long-term work underway, there is an immediate crisis unfolding in the sector with many services reporting vacancies they are unable to fill and seeking waivers due to difficulties recruiting qualified educators and teachers. This is exacerbated in areas where housing costs are high and competition for labour is strong.

ECA has a database of people who have previously worked in the sector but are no longer employed in early childhood services, and we also have a very wide reach on social media (over 112,000 followers on Facebook). We would like to use our position to reach out to people (primarily women) who hold early childhood qualifications but don't currently work in the sector, and survey them on their decisions to leave and what might convince them to return to early education.

We would also like to work with employers to review their exit surveys and retention strategies used to retain employees and reduce turnover.

To lead this project, we would like to employ an expert in recruitment and workforce development who could bring knowledge and ideas from other sectors about potential strategies for re-engaging people who have turned away from early education.

ECA can provide a detailed and costed proposal to deliver this project on request.

ECA Recommendation 3: Fund an in-depth review and scoping of early childhood education and care in rural and regional areas.

The House Standing Committee on Employment, Education and Training recognised the many barriers preventing young children accessing quality early childhood education in a recent report² following an inquiry into the education of students in remote and complex environments.

ECA strongly supports the report's recommendations, particularly recommendations 1–9 insofar as they relate to early childhood education.

An in-depth review would identify gaps and issues in accessing early childhood services and enable government to plan to build capacity and more effectively target funding for rural and regional early childhood services.

² Standing Committee on Employment, Education and Training. (2020, November). [Education in remote and complex environments](#).



ECA recommends the Commonwealth undertake an in-depth review of early childhood education and care in rural and regional areas. Its terms of reference should include:

- Access: scoping where children can and cannot access quality early childhood education and care to identify barriers.
- Viability of rural and regional early childhood education and care services: identifying key viability issues and potential solutions.
- Impact of the NQF on rural and regional services: identifying unintended barriers and potential solutions.

ECA would welcome the opportunity to work with the Government on planning and implementing this review.

2. Strengthening preschool

ECA Recommendation 4: Commit to a five-year funding agreement for preschool.

ECA acknowledges the short extension to the National Partnership announced in the October 2020 Budget, but strongly endorses calls from the sector for a five-year National Partnership Agreement to be put in place to provide funding certainty, improve service viability and support planning.

The initial commitment of the federal, state and territory governments to universal access was made in December 2008 and the first National Partnership Agreement was implemented over five financial years. Since then the funding agreements have been renewed annually or biannually.

The Education Council's recent review of the Universal Access National Partnership (UANP), completed in March 2020, was unequivocal: preschool is a powerful investment in Australia's future, but preschool funding requires much greater certainty and better governance.³

The *UANP Review* concluded that from 2021, preschool funding should be governed by a National Partnership of five years' duration. The 2021 Budget should therefore include Commonwealth funding for preschool across the forward estimates.

3. Strengthen the emotional and mental wellbeing of children and educators

ECA Recommendation 5: Support early childhood educators to access and engage in the Be You initiative, which promotes the mental health of children from the early years to adulthood.

The co-chairs of the National Children's Mental Health and Wellbeing Strategy expert advisory group and steering committee note in the opening pages of the draft strategy:

There is increasing recognition of the importance of considered investment in child mental health. The service system needs to respond better to increases in the prevalence of mental health problems in Australian children, compounded by the effects of the COVID-19

³ Nous Group. (2020). [UANP Review: Final Review Report](#).



pandemic. ... There are many opportunities for prevention and early intervention as problems start to emerge, and before they become entrenched and need more intensive treatment.⁴

ECA partners with Beyond Blue to provide professional learning and support for over 4000 early learning services and school age care services. With over 16,000 early learning and school age care services in Australia, we would like to substantially increase access to Be You for educators.

A key challenge for educators and providers is ensuring sufficient time to engage with Be You. ECA recommends funding be provided to early learning and school age care services to backfill staff to support access and engagement in Be You.

Like the Long Day Care Professional Development Program (LDCPDP) funding made available in 2013–14, ECA suggests backfill funding be made available to all CCS-approved services and based on service size. ECA can provide data on service participation and participant services can demonstrate increased participation through their Be You dashboards.

Online professional learning gives educators easy access to a range of reading materials, resources and recorded material. ECA consultants can provide support in person, over the phone or by videoconference. Services registered with Be You each have a dashboard that records participation, which could be used to demonstrate use of funding for backfill arrangements.

Funding will support the Government's commitment to child mental health and wellbeing by ensuring educators working directly with children are skilled and prepared to support children across the wellbeing continuum of healthy, coping, struggling and unwell.

ECA is also preparing a submission to the draft National Children's Mental Health and Wellbeing Strategy.

ECA Recommendation 6: Fund ECA to enhance professional development in trauma-informed care and practice and expand access for early childhood educators.

Internationally and in Australia, more and more education and care institutions are referring to 'trauma-aware practice' to recognise and address concerns for children and young people living with the outcomes of complex trauma (abuse, neglect and violence). It is now known that complex trauma can have a worrying effect on growing bodies and brains, which can lead to children experiencing difficulties with relationships, emotions, behaviors and learning. If not addressed, this can worsen educational and life outcomes for these vulnerable young children. Research increasingly suggests strategies to strengthen practice, for example Howard (2020)⁵ and Neitzel (2019).⁶

⁴ National Mental Health Commission. (2020). [The National Children's Mental Health and Wellbeing Strategy](#), p. 3. [Draft].

⁵ Howard, J. (2020). *Trauma-aware early childhood education and care*. Available from: <http://www.earlychildhoodaustralia.org.au/our-publications/research-practice-series/research-practice-series-index/2020-issues/trauma-aware-early-childhood-education-care>.

⁶ Neitzel, J. (2019). *Addressing Trauma in Early Childhood Classrooms: Strategies and Practices for Success*. Available from: <https://journals.sagepub.com/doi/abs/10.1177/1096250619850137?journalCode=yeca>.



ECA is a leader in professional learning for the sector, with 35,000 registered users on its learning hub. The ECA Learning Hub, established in 2014, is well regarded for producing high-quality online professional learning. We engage topic experts from the early childhood sector to translate research and identify best practice to develop professional learning that speaks the language of educators and teachers and can be used across the diversity of settings in which educators may work.

ECA has developed suite of resources based on principles of trauma-informed care and practice for early childhood (as part of the *Early Signals. First Responses* project). These modules were commissioned by the New South Wales Government and have been used by over 3500 educators, some of whom variously said this was among ‘the most important professional learning’ they had done, and that ‘every educator in Australia should complete this work’.

There is significant interest in the sector for this work with over 48,000 engagements with resources for this project. With funding, ECA could refresh the module content for each state and territory (to reflect relevant legislation, case studies, etc.) and make it available online to all educators for two years.

This investment in professional development for early childhood educators would not only support all educators to access free professional development but also recognise the importance of trauma-informed care and practice at a cost of approximately \$480,000 per year. Alternatively, the professional development could be made available to a more targeted group of early childhood educators for a lower cost.

4. Improve children’s access to early childhood education and care

Affordability is a significant barrier to children accessing early childhood education and care, particularly for families in precarious, irregular or temporary employment as well as those experiencing economic or social disadvantage. Research has consistently and comprehensively demonstrated that greater access to quality early childhood education has substantial benefits for children’s development and life outcomes, and for the economy, as it enables more parents and carers to participate in the workforce.

The Australian Government has demonstrated its understanding of the importance of access to quality early childhood education through its commitment to the NQF, the National Partnership Agreement on Universal Access and the CCS. This provides a strong foundation that should be built upon to support all children to access quality early childhood education.

ECA asks the Government to consider the following recommendations, which build on existing commitments and focus on some of the barriers that should be addressed to ensure all Australian children can access quality early childhood education.



ECA Recommendation 7: Increase the Child Care Subsidy (CCS) to a maximum of 95% for low-income families, tapering down to 30% for high-income families, to improve the affordability of early childhood education and care.

The COVID-19 pandemic prompted significant policy changes (some temporary) regarding the funding of and access to early childhood education and care in Australia. Policies will require further change into 2021, if Australia is to meet three critical goals for the post-pandemic period:

1. Every child has stable access to high quality early childhood education and care.
2. Parents of young children are able to participate in an uncertain and unpredictable employment market.
3. The early childhood education and care sector remains viable and able to support Australia's economic recovery.

Early learning and care services have occupied an almost unique position during the pandemic: they are the only educational sector to remain open, providing continuity of learning and care for young children, and enabling parents and carers to remain in the workforce.

The Government has endeavored to support the early childhood education and care sector through the pandemic to ensure its viability. Given the likely length of the post-pandemic economic downturn, this cannot be a short-term investment. In August 2020, the Reserve Bank of Australia concluded, 'It will take a considerable period of time to recover the lost output and employment resulting from the COVID-19 outbreak.'⁷

The economic downturn has already increased the labour force underutilisation rate. Underutilisation of female labour was an existing feature of the Australian economy before the pandemic. If the Government does not act swiftly to support women's workforce participation, Australia risks a rapid widening of the gender pay gap, as occurred after the global financial crisis of 2008–09.⁸

ECA Recommendation 8: Review the activity test.

ECA recommends that a review of the activity test is undertaken to assess its appropriateness for the sector's precarious workforce situation and determine its impact on children accessing early childhood education and care. ECA believes all children should have access to at least 15 hours of CCS-funded services per fortnight, regardless of their parent's activity.

In a time of strong economic contraction, the CCS performs poorly for families with reduced or erratic income and work hours. For these families, the CCS presents barriers to maintaining their

⁷ Reserve Bank of Australia. (2020, August). [Statement on Monetary Policy](#).

⁸ Workplace Gender Equality Agency. (2020, 13 August). [The national gender pay gap is now 14.0%](#). [Media release].



children's participation in early learning and care, due to inadequate subsidy rates and the limitations of the activity test. The inflexibility of the CCS also means that families seeking additional work cannot 'lock in' hours of learning and care in advance, making it difficult to take extra shifts or work days when they become available.

Unemployed and underemployed parents need capacity to seek work and to retrain, and this will only be possible if they have good access to affordable early childhood education and care.

ECA supports the proposal by the Grattan Institute to increase the CCS to 95%, tapering down to 30% (compared to the current spread of 85–20%).⁹ As the Grattan Institute demonstrates, the additional investment of \$5 billion in the CCS would generate annual economic returns of \$11 billion. This modelling is not contested, and follows other studies that have highlighted the positive macroeconomic effects of supporting parents' workforce participation.¹⁰

The activity test is predicated on a healthy job market, and seeks to ration early learning and care subsidies based on parental employment or participation in recognised 'work-like' activities.

ECA Recommendation 9: Increase funding for children with disability and additional needs in early learning and care services, to match increased demand.

The inclusion of children with disability and additional needs in early learning and care services is very important on a number of counts, including children's educational outcomes, their wellbeing, human rights and their families' ability to participate in the workforce.

In providing feedback ahead of changes to the Australian Government's Inclusion Support Program (ISP) Guidelines, ECA noted that the new Guidelines would expand and improve the eligibility criteria for children who do not yet have a diagnosed disability, and increase the number of organisations eligible to access Inclusion Development Fund (IDF) Innovative Solutions Support.¹¹ While these changes have the potential to be very positive, they may fail without adequate funding.

ECA is acutely aware that broadening the user base of the ISP will increase the level of demand from early learning and care services for inclusion support, and will place greater demands on Inclusion Agencies. It is therefore imperative that funding of the ISP matches growth in demand.

ECA welcomes the Government's August 2020 announcement of an additional \$5.2 million for the ISP budget.¹² However, an expanded user base and greater demands on Inclusion Agencies will require a greater increase in real funding.

⁹ Grattan Institute. (2020). [Cheaper childcare: A practical plan to boost female workforce participation](#).

¹⁰ See PwC. (2019). [A Smart Investment for a Smarter Australia: Economic analysis of universal early childhood education in the year before school in Australia](#) and PwC. (2014). [Putting a value on early childhood education and care in Australia](#).

¹¹ ECA. (2019, 11 November). *Proposed changes to the Inclusion Support Program Guidelines. Response from Early Childhood Australia*.

¹² Tehan, D. (2020b, 13 August). [Supporting vulnerable and disadvantaged children during COVID-19](#). [Media release].



ECA Recommendation 10: Provide additional funding to Aboriginal and Torres Strait Islander community-controlled early learning and family-support services.

The National Agreement on Closing the Gap (July 2020) commits the parties ‘to building formal Aboriginal and Torres Strait Islander community-controlled sectors to deliver services to support Closing the Gap’.¹³ This is one of four ‘priority reforms’, which will help to achieve measurable outcomes, including:

- Outcome 3: Aboriginal and Torres Strait Islander children are engaged in high quality, culturally appropriate early childhood education in their early years.
- Outcome 4: Aboriginal and Torres Strait Islander children thrive in their early years.

ECA has previously highlighted the central importance of empowering Aboriginal and Torres Strait Islander communities to provide early learning and care services, and family support services, to their own children. Our joint position paper with SNAICC – National Voice for Our Children recommended ‘investment in quality Aboriginal and Torres Strait Islander community-controlled integrated early years services’ as ‘the most effective means to improve outcomes’ for Indigenous children.¹⁴

ECA welcomes the Government’s August 2020 allocation of an additional \$6.1 million to the Community Child Care Fund, for which Aboriginal and Torres Strait Islander community-controlled early learning services are eligible to apply.¹⁵ While this funding allocation is useful, it must be followed by a much larger process of working with community-controlled services to fund the development of the resources and skills they need to ensure that Aboriginal and Torres Strait Islander children thrive.

¹³ Joint Council on Closing the Gap. (2020). [National Agreement on Closing the Gap](#), p. 8.

¹⁴ ECA & SNAICC. (2019). [Working together to ensure equality for Aboriginal and Torres Strait Islander children in the early years](#), pp. 8–9.

¹⁵ Tehan, D. (2020a, 12 August). [Government support for services in need](#). [Media release].