



Early Childhood Australia
A voice for young children

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

MEDIA RELEASE

Tuesday, 29 March 2022

A vision for children – missing again from the Federal Budget 2022

Children, particularly young children, barely rate a mention in the Federal Budget 2022. 'There is little recognition of the cumulative impact on children from the pandemic and the frequency of natural disasters affecting their communities', says Samantha Page, CEO. Children are largely missing in major initiatives to help families under economic pressures, prevent and respond to family violence and support mental health.

ECA's pre-budget submission contained seventeen recommendations that aim to benefit Australian children now and in the future. In line with our vision, we called for urgent and ongoing government investment to re-imagine a fairer early childhood system for young children to ensure that every young child is thriving and learning.

We made recommendations under four core headings with measures for **access, affordability, inclusion and stability**, along with additional measures specific to operating early childhood education and care (ECEC) services throughout the COVID-19 pandemic.

Access to Early Education

While ECA welcomes the Budget 2022 measure to invest \$19.4 million over five years through the Community Child Care Fund to fund up to 20 new early childhood services in remote and regional areas where there is limited access to, or no child care, this measure will have a very modest impact on the accessibility issues facing many families—including those in capital cities.

The recent review of the Government's Child Care Package revealed limited impact on improving access and disproportionate limiting impacts for children and families experiencing disadvantage and vulnerability. The Mitchell Institute report, [*Childcare Deserts & Oases: How accessible is childcare in Australia?*](#), also highlighted growing disparity of access to centre-based ECEC depending on postcode. More needs to be done to ensure every child, regardless of location or household income, has access to a high-quality early education.

Affordability

Affordability for families with multiple children under 5 accessing ECEC has improved and the removal of the Child Care Subsidy (CCS) annual cap this year has also helped. Yet there are still many families who cannot afford to access early education at all. ECA reiterates calls for an increase in the subsidy rate for low-income households to 100% for 30 hours per week to provide an early education guarantee for all children ([*Starting better: A guarantee for young children and families*](#)).

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The Budget predicts annual spending on the CCS will be \$9.7 billion in 2021–22, below the \$10.7 billion predicted in last year's Budget, likely because of lower than anticipated participation rates impacted by the COVID-19 pandemic. Spending is expected to increase to \$11 billion in 2023–24. 'Despite the predicted increases, this will be inequitably distributed and won't deliver better affordability unless we prioritise early childhood education outcomes alongside parental workforce participation', says Samantha Page, CEO.

Inclusion and Reducing Vulnerability

ECA believes there needs to be a substantial investment in inclusion support and capacity building to respond to increasing demand and pressures on early childhood educators and teachers responding to the impact of the COVID-19 pandemic on young children and their families.

There are greater opportunities within current policy priorities, missed in this budget, to focus on the needs of children who have experience of family violence. Current measures within the budget stop short of addressing the specific needs of children, limiting prevention, early intervention, response and recovery measures to adult victim survivors and older children.

Stability

The early childhood sector has been at the forefront of the pandemic for more than two years, with many parts of the sector also impacted by bushfires and floods in affected regions. Temporary changes to funding mechanisms have been needed because the CCS lacks flexibility to stabilise and ensure the viability of the workforce during natural disasters and public health responses to the pandemic.

The budget allocation of \$22.1 million over two years from 2021 to 2022 to increase the Community Child Care Fund Special Circumstances grant to assist services experiencing financial viability issues resulting from the recent floods and the COVID-19 pandemic will provide very modest support (such as \$10,000 grants to flood-impacted services). Many more services have faced major losses and struggled to maintain their staffing teams. A more flexible system would ensure services can provide continuity of access for children and job security for staff.

While there is no specific mention of the early childhood workforce there are a substantial number of workforce initiatives including training subsidies, which may be available to early childhood employers and trainees. More analysis is needed to determine whether ECEC is a priority workforce.

Parental Leave

In our pre-budget submission ECA called for an immediate increase to Paid Parental Leave to 26 weeks. The Government announced another two weeks of Parental Leave Pay, increasing it to 20 weeks of fully flexible entitlements between parents. This ignores the recommendation of the Retirement Income Review to apply superannuation, which means that Paid Parental Leave will continue to be the only form of paid leave that does not include super contributions—a missed opportunity to boost women's retirement income (90% of the parental leave is taken by women).

Conclusion

Overall, the budget fails to provide a vision for children. Our full summary of the Budget 2022 will be provided to ECA members tomorrow. When cost of living is a concern for so many, investing in children's early years should not be seen as a budget choice for families.

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

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