

Budget 2019 – Early Childhood Education and Care

Early Childhood Education and Care Budget Overview

Measured against the early childhood education and care priorities for women that we have identified, the 2019 budget failed to deliver. **Individual Budget measures are examined in the Budget Measures table below**, but overall the Government has ignored the strong and consistent evidence that Australia needs to increase investment in early childhood development. In particular, this Budget missed the opportunity to address problems with the Child Care Subsidy and to provide a long-term commitment to preschool funding. There are serious shortcomings in the new Child Care Subsidy system and an estimated one-in-four families is now worse off. As a result, many of the children who would benefit the most from quality early learning are missing out. The Budget also demonstrates little understanding of the challenges facing Australia in early childhood education and care in areas such as workforce skills shortages and the importance of a national commitment to continuous quality improvement.

WHY IS THIS AN ISSUE FOR WOMEN?

- Nearly 1.3 million Australian children are enrolled in approved child care services.¹ While the provision of affordable ECEC is a ‘workforce issue’, enabling parents to work outside the home, it is also critically important for the development of children.
- When children are provided with high-quality early learning experiences in the first years of life, they experience a lasting impact across their lifespan. They also are more likely to transition more smoothly to school, stay engaged with education and experience improved

¹ In addition, 342,000 children are enrolled in preschool/kindergarten, some of whom may also attend the approved childcare services cited above. Australian Bureau of Statistics (ABS). (2019) *Preschool education, Australia, 2018*, Canberra: ABS; Department of Education and Training (DET). (2018) *Early Childhood and Child Care in Summary, June quarter 2018*, Canberra: DET.

social and emotional wellbeing in their adult life.² Participation in high-quality early learning is particularly important for children who experience disadvantage.³

- Recent data shows that 96 per cent of early childhood educators are female, almost a third are aged 24 or less and about a quarter were born overseas. A sustainable, highly qualified and professional workforce such as that envisaged by the [2012 Early Childhood Education and Care Workforce Strategy](#) would support the longer term development of the ECEC profession and assist in the retention of quality early childhood educators in the industry.
- The issue of equal pay in the sector also has implications for retention. The matter has been repeatedly before the Fair Work Commission, where it currently remains. Hearings have been characterised by problems in interpreting the equal remuneration provisions of the Fair Work Act and conducting gender aware job evaluations.

BUDGET MEASURES

The following table sets out the priorities identified by NFAW and the relevant 2019 budget commitments.

NFAW priorities	In 2019 budget?	Comment (if any)
An increase in early education investment to 1 per cent of GDP over the next five years, to lift participation rates, support workforce development and ensure quality.	No	The Budget contains no changes to policy or structure around early childhood education and care, and no increase in funding. Spending for 2019-20 will be 0.47 per cent of GDP, and is not forecast to rise over the forward estimates (to 2023).
Better measurement of the impacts of high-quality early learning programs for children and for the community more broadly, through a new outcomes framework and full implementation of Productivity Commission recommendations on data and research.⁴	No	

² Organisation for Economic Co-operation and Development (OECD). (2016) *Education at a glance 2016*, Paris, France: OECD Publishing; Early Learning: Everyone Benefits (2017). *State of Early Learning in Australia 2017*, Canberra: Early Childhood Australia; The Heckman Equation (n.d.) *Invest in early childhood development: reduce deficits, strengthen the economy*, retrieved from <https://d3n8a8pro7vnm.cloudfront.net/everyonebenefits/pages/73/attachments/original/1548399164/Heckman-invest-early-strengthen-economy-factsheet.pdf?1548399164>;

³ Productivity Commission (2014). *Childcare and Early Childhood Learning*, Inquiry Report, Vol. 1, Canberra: Productivity Commission, pp. 152-155.

⁴ Productivity Commission. (2016). *National Education Evidence Base: productivity commission Inquiry Report Vol 1, No 80*. Canberra, ACT. Commonwealth of Australia.

Preschool/kindergarten for all children in the two years before they start school, for up to 18 hours each week (and more for children experiencing disadvantage).	No	The Budget provides funding for children to attend only one year of preschool/kindergarten before school, with no allocation for a second year (ie for three-year-olds).
Access to at least 18 hours of subsidised early learning each week for every child (with more hours for children experiencing disadvantage), without parents having to meet any work or study requirements.	No	The Budget outlined no changes to the 'activity test' that restricts children's access to subsidised early learning.
New early childhood development targets for Aboriginal and Torres Strait Islander children and a strategy to close the gap with non-Indigenous children.	Partial	The Budget allocates \$1.4 million to The Smith Family to 'develop strategies on how to further lift preschool participation rates, particularly for families in regional and remote communities, including Indigenous families'. However, such strategies have already been developed by the sector, such as the position paper <i>Working Together to Ensure Equality for Aboriginal and Torres Strait Islander Children in the Early Years</i> (SNAICC and Early Childhood Australia, February 2019). It is imperative that governments work cooperatively with communities to understand and address barriers to participation in early learning.
Investment in quality Aboriginal and Torres Strait Islander community-controlled integrated early years services, with clear targets for children's participation.	No	
Restoration of the funding cut last year from the National Quality Agenda, to support a rigorous quality framework for early learning and care.	No	
A new Early Childhood Education and Care Workforce Strategy to support high-quality provision of education and care in the sector and fair and decent wages for carers, teachers and educators.	No	

Other budget measures

Measure	Comment
<p>The Government announced a 'national preschool review' to be conducted through the COAG Education Council (with all State and Territory education ministers). The primary purpose of the review is to identify ways to lift preschool attendance rates.</p>	<p>The planned review is not necessary. The State and Territory governments have unanimously backed the recommendations of the <i>Lifting Our Game Report</i>, which provides clear strategies for increasing preschool participation across Australia. System enhancements can be introduced along the way, but there is no reason to keep funding preschool on a 12-month cycle – the funding should be locked in so that jurisdictions can make decisions about service planning and infrastructure needs.</p>