

### Submission to the Inquiry into Early Childhood Education and Care

UNICEF Australia welcomes the opportunity to provide a submission to this inquiry, drawing on our experience working with governments across Australia to progress reforms in the early years, as well as our vast international expertise helping to deliver early childhood development and education programs as well as lasting systems change across a variety of developing and developed contexts.

This inquiry is an opportunity to better realise the enormous and compounding benefits that come with early investment in children, particularly their early learning. The compelling return on investment in the early years is now well-understood. Intervening early helps shift trajectories for children, placing them on a pathway to healthy wellbeing and development which grows exponentially over their lifetime with the right support.

We want Australia to be the best place in the world for children to grow up and access to quality early childhood education and care (ECEC) for every child plays a central role in this. However, we know that there are steps Australia still needs to take to ensure this is the case for every child – UNICEF’s own international research has found that Australia is lagging behind our OECD colleagues when it comes to ECEC, ranking 38<sup>th</sup> out of 41 countries for access to early childhood education and care.<sup>i</sup>

While there are many areas requiring attention in this reform, UNICEF Australia would like to call out three priorities which will boost access to support for those children who need it most:

1. Removal of the activity test for the Child Care Subsidy
2. Fully subsidised access to ECEC for children most in need through a Guarantee for Young Children and Families
3. Investing in the ECEC workforce through sector-identified solutions.

#### Removal of the activity test for the Child Care Subsidy

The current activity test that determines access to the Child Care Subsidy (CCS) is contributing to at least 126,000 children and families from the poorest household missing out on ECEC.<sup>ii</sup> Research from the Australian Institute of Family Studies has shown that the activity test is negatively impacting low-income families, First Nations families, single parents and families from non-English speaking backgrounds, more than other cohorts.<sup>iii</sup> In terms of workforce participation, the test creates uncertainty for parents in casual employment due to the risk that they will not meet requirements and be left with over-payment debts.<sup>iv</sup>

UNICEF Australia was pleased to see the recent recommendation of the Interim Economic Inclusion Advisory Committee to remove the activity test.<sup>v</sup> No family should go without ECEC support, and removal of the activity test as a matter of priority would ensure greater access to ECEC for low-income families, improved participation from parents dissuaded from working because of the risk of incurring debts, and reduced red tape and improved efficiency.<sup>vi</sup> For children, evidence shows that the most disadvantaged children benefit the most from access to ECEC, with two years of early learning before school helping to bring their outcomes in line with their peers across literacy, numeracy and social and emotional wellbeing.<sup>vii</sup>

#### Fully subsidised access to ECEC for children most in need through a Guarantee for Young Children and Families

The Government’s move to a 90% CCS subsidy rate for most Australians is a very welcome move which should boost access to ECEC for children and families and bring us a closer to a universal ECEC system. However, we know that those children who most need support are the most likely to miss out. For these families, a move towards fully subsidised

ECEC would help bridge the gap and ensure they receive the early education and care needed to place them on a pathway to healthy development. This may mean outreach in certain communities to ensure that families are aware of the early learning centres near them as well as the benefits that early learning brings for their children. There are also children and families who will benefit from alternative models of care or integrated child and family centres (see below for more detail).

The Centre for Policy Development's Guarantee for Young Children and Families is a model which would enable this, proposing three days (up to 30 hours) of free or low-cost high-quality early childhood education and care per week as soon as families want it, with additional days for those who need it at minimal cost, and similar for preschool for the two years before children start school.<sup>viii</sup> Vulnerable children who most need support would be able to attend up to five days of ECEC a week at minimal cost under the Guarantee.<sup>ix</sup> Conservative estimates suggest that in addition to the benefits to children's development by providing support to those who need it most, implementation of the Guarantee would see up to \$13.2 billion added to GDP per year from 2030.<sup>x</sup>

### **Investing in the ECEC workforce through sector-identified solutions**

While boosting access to ECEC is a pressing priority, ensuring that high quality services can actually be delivered is of equal importance, and the ECEC workforce is central to this. The challenges facing the ECEC workforce are now well-understood. The mostly female workforce faces low pay, under-investment in skills development, and high staff turnover.<sup>xi</sup> In addition to retention, the supply of staff is a real pinch point, with tens of thousands of new educators needed by July 2023 just to meet the additional demand created by the Government's welcome Cheaper Childcare changes.<sup>xii</sup>

Just as the workforce challenges are well known, so too are a number of proposed solutions to address them. Dandolopartners in their early years policy series have identified a series of ideas to investigate including:

- funding models that require ECEC providers to provide adequate wages and consistent conditions and reduce the pay gap between ECEC teachers and primary teachers;
- industrial reforms to create better career pathways and progressions, including specialisations in early education in areas like literacy, leadership, and business management;
- innovation around job design including the role that employers can play in creating supportive workplaces, for example, establishing roles like business managers and resourcing educational leaders.<sup>xiii</sup>

Thrive By Five also has a broadly endorsed ECEC Workforce Action Plan which calls for immediate pay rises comparable to school educators, longer-term workforce planning through investment in TAFE and universities, and accelerated pathways to formal qualifications, amongst other initiatives.<sup>xiv</sup>

Beyond these top priorities, there are a number of other areas of the ECEC system which deserve further inquiry. An examination of pricing caps may be needed given that as subsidies increase there is a risk that some providers may in turn increase their prices, wiping out gains to affordability for those families who need it most. Similarly, even as subsidies are increased and access is boosted, there will still remain children for whom existing mainstream ECEC services are inadequate to bridge the access gap. In this regard, there are promising models worth further investigation including:

- Integrated Child and Family Centres, which are service and social hubs where children and families access services and meet other families, as detailed in a recent [report](#) from Deloitte Access Economics in partnership with Social Ventures Australia and the Centre for Community Child Health;<sup>xv</sup>
- alternative models of care that are responsive to the needs of children who are struggling to access the formal ECEC system, like the [Indi Kindi](#) program, an early years program for children under five years of age in remote Aboriginal and Torres Strait Islander communities.<sup>xvi</sup>

There also remains a need for early years services run by Aboriginal community-controlled organisations which are able to provide tailored holistic support to Aboriginal and Torres Strait Islander children, grounded in culture and trauma-

informed practice, and capable of responding to the complex needs that children and their families may be facing.<sup>xvii</sup> As a matter of priority, specific funding is needed immediately for the re-establishment of Aboriginal and Torres Strait Islander Children and Family Centres (ACFCs) around Australia. ACFCs provide a holistic model of care through an array of integrated services which result in better outcomes, however, 38 federally-funded ACFCs spread around the country had their funding ceased in 2014.<sup>xviii</sup>

Finally, as we seek to improve the ECEC system, children and their families will need to be consulted with at all stages of reform. This will help ensure the system reflects children's own experiences and views on what will make a difference for their development in services, supports and material conditions, rather than existing ways of doing things or discredited assumptions about childhood and children's experiences of their lives. Doing so will result in a richer system that is more targeted and responsive to the needs of children and their families. This will in turn ensure Australia's children are on the right pathway to grow, learn and thrive.

UNICEF Australia would welcome the opportunity to expand further on any of the measures we have outlined in this submission.

Katie Maskiell  
**Head of Child Rights Policy and Advocacy**  
UNICEF Australia

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<sup>i</sup> UNICEF (2020), *Report Card 16: Worlds of Influence*, <https://www.unicef-irc.org/publications/pdf/Report-Card-16-Worlds-of-Influence-child-wellbeing.pdf>

<sup>ii</sup> Impact Economics and Policy (2022), *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*. [https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report\\_FINAL.pdf](https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report_FINAL.pdf)

<sup>iii</sup> Australia Institute of Family Studies (2022), *Child Care Package Evaluation: Final report*. <https://aifs.gov.au/research/research-reports/child-care-package-evaluation-final-report>

<sup>iv</sup> Impact Economics and Policy (2022), *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*. [https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report\\_FINAL.pdf](https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report_FINAL.pdf)

<sup>v</sup> Interim Economic Inclusion Advisory Committee (2023), *2023–24 Report to Government*, <https://ministers.treasury.gov.au/sites/ministers.treasury.gov.au/files/2023-04/eiac-report.pdf>

<sup>vi</sup> Impact Economics and Policy (2022), *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*. [https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report\\_FINAL.pdf](https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report_FINAL.pdf)

<sup>vii</sup> Fox, S and Geddes, M (2016), *Preschool - Two Years are Better Than One: Developing a Preschool Program for Australian 3 Year Olds – Evidence, Policy and Implementation*, Mitchell Institute Policy Paper No. 03/2016. [https://content.vu.edu.au/sites/default/files/media/two-years-are-better-than-one-mitchell-institute.pdf?gl=1\\*sglrr8\\*ga\\*NTM4MTQ1OTU5LjE2ODQ0NjM3MjQ.\\*ga\\_Q1LS42WZC4\\*MTY4NDQ2OTcyNS4xLjAuMTY4NDQ2OTcyNS4wLjAuMA](https://content.vu.edu.au/sites/default/files/media/two-years-are-better-than-one-mitchell-institute.pdf?gl=1*sglrr8*ga*NTM4MTQ1OTU5LjE2ODQ0NjM3MjQ.*ga_Q1LS42WZC4*MTY4NDQ2OTcyNS4xLjAuMTY4NDQ2OTcyNS4wLjAuMA)

<sup>viii</sup> Centre for Policy Development (2021), *Starting Better: A Guarantee for Young Children and Families*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>

<sup>ix</sup> Centre for Policy Development (2021), *Starting Better: A Guarantee for Young Children and Families*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>

<sup>x</sup> Centre for Policy Development (2021), *Starting Better: A Guarantee for Young Children and Families*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>

<sup>xi</sup> Centre for Policy Development (2021), *Starting Better: A Guarantee for Young Children and Families*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>

<sup>xii</sup> The Parenthood, Submission to the Senate Select Committee on Work and Care

<sup>xiii</sup> Dandolopartners (2022), *Webinar series: working through the NSW and Victorian early education reforms*, <http://www.dandolo.com.au/webinar-series-early-education-reforms>

<sup>xiv</sup> Thrive By Five (2022), *Workforce Action Plan*, [https://thrivebyfive.org.au/wp-content/uploads/2022/08/tb5\\_200722\\_workforce\\_plan\\_A5\\_digital-1.pdf](https://thrivebyfive.org.au/wp-content/uploads/2022/08/tb5_200722_workforce_plan_A5_digital-1.pdf)

<sup>xv</sup> Social Ventures Australia, Murdoch Children's Research Institute, The Royal Children's Hospital Melbourne (2023), *Exploring Need and Funding Models for a National Approach to Integrated Child and Family Centres – Summary Brief*, May 2023. [https://www.socialventures.com.au/assets/Final-Deloitte-brief.pdf?utm\\_medium=email&utm\\_campaign=ICFCs%20Launch%20Follow%20Up%20Email&utm\\_content=ICFCs%20Launch%20Follow%20Up%20Email&CID\\_c54f6d5d48f4c4b4c1c91ca7e0eb467f&utm\\_source=Campaign%20Monitor&utm\\_term=Report%20Brief](https://www.socialventures.com.au/assets/Final-Deloitte-brief.pdf?utm_medium=email&utm_campaign=ICFCs%20Launch%20Follow%20Up%20Email&utm_content=ICFCs%20Launch%20Follow%20Up%20Email&CID_c54f6d5d48f4c4b4c1c91ca7e0eb467f&utm_source=Campaign%20Monitor&utm_term=Report%20Brief)

<sup>xvi</sup> Moriarty Foundation (2023), *Indi Kindi*, <https://moriartyfoundation.org.au/programs/indi-kindi/>

<sup>xvii</sup> Australian Child Rights Taskforce (2018), *The Children's Report: Australia's NGO coalition report to the United Nations Committee on the Rights of the Child*. <https://www.unicef.org.au/Upload/UNICEF/Media/Documents/Child-Rights-Taskforce-NGO-Coalition-Report-For-UNCRC-LR.pdf>

<sup>xviii</sup> SNAICC (2023), *Submission to the Early Years Strategy*