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MEDIA RELEASE

Productivity Commission Interim Report prioritises workforce issues and accessibility for our most vulnerable children

The Australian Childcare Alliance (ACA) today acknowledges draft recommendations in the Productivity Commission's interim report as part of its inquiry into Early Childhood Education and Care (childcare).

The interim report outlines some key recommendations for the Australian Government, including:

- Expanding the availability of Early Childhood Education and Care (ECEC) services – this will require governments to prioritise the workforce challenges facing the sector.
- Ensuring all children aged 0–5 years have up to 30 hours or three days a week of quality ECEC available to them.
- Raising the maximum rate of the Child Care Subsidy (CCS) to 100% of the hourly rate cap for families on household incomes up to \$80,000.
- Significantly increasing funding for the Inclusion Support Program and streamlining the requirements of the program to expand its reach.

The ACA commends the Productivity Commission for its considered and comprehensive assessment of the sector and the priority placed on supporting better access and outcomes for vulnerable children and families.

Specifically, its recommendations to abolish the activity test for families whose household income is under \$80,000, and fund 100% of the hourly rate cap will make ECEC services affordable for up to 30% of all families.

The ACA is pleased with the strong and robust assessment of the current Inclusion Support Program and the urgent need to improve it for children, educators and service providers.

Equally as significant, the report recommends that government prioritises the workforce challenges across the sector Australia-wide.

The report says “Governments are also a major funder of the sector. As staff costs make up – by far – the largest component of the costs of providing ECEC services, funding provided by governments to the sector can have a major influence on workers’ rates of pay, and the resources available for training and professional development.”

ACA President Paul Mondo said the Albanese Government had embarked on an ambitious reform agenda for the early learning sector since it was elected in 2022.

“A key aim of the government is making access to childcare more affordable, and it has signalled it will consider major changes within the sector to enable this, when both final reports from the two major inquiries are delivered to government.

“The Australian Childcare Alliance has consistently cautioned that changes to policies in the sector must reflect the unique context in which we operate within Australia and across the country. Any policy settings made in isolation are likely to lead to unintended consequences,” he said.

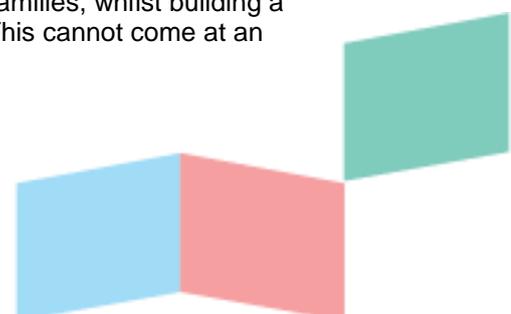
“A focus must be on how we can drive accessibility and affordability for all families, whilst building a strong workforce of highly skilled early childhood educators and teachers. This cannot come at an increased cost to families.”

Australian Childcare Alliance

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“We look forward to working with the government when the final reports of both the ACCC and Productivity Commission are released next year to ensure that we have a funding system that guarantees affordable and accessible early learning for all Australian children, for our workforce to be appropriately remunerated and for services to remain viable.”

ACA is currently engaged in tripartite negotiations with the Federal Government, sector employers and unions around the pay levels and working conditions for early childhood educators. ACA is the peak body for early learning (childcare) services, with ACA's members providing care for over 850,000 families across Australia. It has consistently advocated for more government support to help attract and retain early learning educators.

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About the Australian Childcare Alliance

The Australian Childcare Alliance (ACA) works on behalf of early learning (long day care) service owners and operators to ensure families have an opportunity to access affordable early childhood education and care (ECEC) throughout Australia. We represent over 3,000 early learning service providers across the country.

Our national and state bodies work collaboratively with all levels of government, regulatory authorities and other stakeholders with an evidence-based approach, to ensure that families are supported into the future with a sustainable, affordable and viable ECEC sector.

ACA believes that with the right policy and financial frameworks in place, we could ensure that every child in Australia has access to high quality, affordable and sustainable early learning (childcare) services, and therefore the **best start in life**.

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