

Media release



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Goodstart calls for an affordable universal early learning and care system that prioritises access, equity and quality

Goodstart Early Learning, Australia's largest not for profit provider of early learning and care, has called for a major overhaul of funding and policy for early learning and care to deliver a truly universal system that is both affordable and delivers access, equity and quality for all children.

In its final submission to the Productivity Commission inquiry into early learning and care, Goodstart says the current Child Care Subsidy system, including the activity test, is not fit for purpose to deliver a truly universal system.

It calls for a new mixed funding system that:

- Guarantees all children can access at least three days of early learning
- Improves affordability with a Universal Early Learning Benefit set at 100% of fee for low-income families (less than \$80,000 a year) tapering down to zero at the current income cut off of \$530,000
- Improves accessibility with direct funding for new services in areas where there is not enough supply
- Improves quality with more rigorous oversight, with consequences for low quality providers and more support for expansion of high quality not for profit providers
- Improves equity with needs-based funding to support all children to participate in early learning
- Addresses workforce shortages with direct funding of a wage increase for educators
- Improves accountability with a national ECEC Commission that makes sure government agencies are delivering and monitors providers to make sure they are not charging excessive fees.

Goodstart CEO Dr Ros Baxter said Goodstart was '100 percent behind' the Government's vision of a truly universal early learning and care system, but as it was such a big reform it will require a long-term approach with careful staging.

"A truly universal early learning system needs to be built from the ground up so all children can access the sort of high quality, inclusive learning that makes a real difference to child development," she said.

"First, we have to address workforce, as access to early learning can't be expanded without first addressing workforce shortages and that will require Government funding a fair wage for educators.

"Second, the government should get rid of the activity test and give all children access to at least three days of early learning regardless of where they live.

"Third, we must address quality and equity, by supporting those providers particularly in the not-for-profit sector who deliver that now, and developing consequences for providers who don't.

"Only then, will Australia's early learning sector be ready to meet rapidly increasing demand by offering improving affordability to move to a more generous Universal Early Learning Benefit.

"Future growth in the sector must deliver more high-quality centres, and that means directly investing in growth of the not-for-profit sector.



"The ACCC found that not-for-profit providers charge lower fees, have higher quality, lower overheads, more experienced, better paid educators and invest more in inclusion than for-profit providers.

"Yet over the past decade, over 92% of new places in the sector have been created in for-profit centres, so that for-profit providers now make up over 70% of the long day care sector. That needs to change so every family has the choice of attending a high-quality not-for-profit service in addition to for-profit services," she said.

Dr Baxter said the proposed Universal Early Learning Benefit proposed by Goodstart to the Productivity Commission would deliver the biggest benefits to low- and middle-income earners, reflecting the finding by the Commission that these families are most adversely impacted by the current system.

"Children from low-income families benefit most from access to early learning but are least likely to attend, while their parents are more likely than high income parents to respond to cheaper child care by increasing workforce participation.

Dr Baxter also said it was valuable to consider PC's analysis about a flat 90% subsidy or a \$10 a day fixed fee and that a disproportionate share of the increased government support would go to high income families – rather than to those experiencing disadvantage, who are most likely to benefit from greater access to early learning." There are more important short-term priorities, Dr Baxter said.

"A reformed system would allow us to prioritise investment in workforce, access, quality and equity as a better pathway to a truly universal early learning system," she said.

The Productivity Commission will make its final report to Government in June.

Summary of Impact on out-of-pocket costs of current Child Care Subsidy and proposed Universal Early Learning Benefit

Income	Child care Subsidy rate now	Universal Early Learning Benefit rate proposed	Saving on a fee of \$130 a day
\$80,000 or less	90%	100%	\$13
\$120,000	82%	91.1%	\$11.84
\$160,000	74%	82.2%	\$10.70
\$200,000	66%	73.3%	\$9.53
\$300,000	46%	51.1%	\$6.64
\$400,000	26%	28.9%	\$3.76
\$500,000	6%	6.7%	\$0.87



For more information – John Cherry – Head of Advocacy 0477 370 634 or Rachel Espiner 0429 553 103 or media@goodstart.org.au.

Notes for editors

Goodstart Early Learning is Australia's largest early learning provider with 665 centres nationwide. It is a not-for-profit social enterprise committed to improving the lives of Australia's children and their families. For more information, visit goodstart.org.au.

Acknowledgement of country

Goodstart acknowledges all Traditional Custodians across Australia and recognises First Nations peoples' continued cultural and spiritual connection to the land, sky and waterways that surround us. We pay our respects to Elders past, present and emerging.