

## Work and Play Report 2023

### Information Sheet on Low Income Families

The Front Project commissioned Heartward Strategic, an independent social research consultancy, to help us understand how 1,000 families and 147 educators and teachers perceive and experience early childhood education and care (ECEC) in 2023.

Our findings reveal families with lower household incomes have a disproportionately negative experience in accessing ECEC due to economic pressures:

- 17% of parents on less than \$70,000 said they had considered or stopped their child's ECEC arrangement altogether due to the current economic environment, compared to just 3% of families with annual household income exceeding \$255,000.
- 32% of low-to-mid income families had considered, or were forced to return to work earlier than planned due to the cost of childcare compared to 13% of parents earning a household income exceeding \$255,000.

### Childcare Subsidy

Changes to the Childcare Subsidy in July 2023 has improved affordability, but need to go further:

- Almost a quarter of those who increased their ECEC hours in response to CCS changes were from households earning less than \$70,000 per year.
  - » This is despite only 14% of all respondents stating they had increased the amount of ECEC they use due to CCS changes.

- 62% of families earning less than \$122,000 a year agreed that once the cost of childcare is factored in, it's hardly worth working. This is compared to 42% for those earning \$175,000 or above.
- Low-income families are more likely to be in precarious work. One in ten (11%) of people earning less than \$121,000 are in insecure work, compared to one in 50 (2%) of people earning more than \$121,000.

### Inclusion

ECEC should also support inclusion, with low-income, additional needs children having most to gain from a better integrated and updated Inclusion Support Programs:

- Low-income families are more likely to use ECEC to support additional needs children.
  - » 26% of families who selected this as an important reason they send their child to ECEC were from households earning less than \$70,000pa.
- 56% of respondents who selected respite as an important reason why they use ECEC were from families earning a household income less than \$121,000 per year.



## Recommendations



Target fee relief for low to medium income families to provide cost of living relief, support workforce participation and provide more choice in deciding whether to use ECEC.



Abolish the activity test. Families on a low income or in insecure work are more severely impacted from debt due to activity test miscalculation.



Adopt supply-side funding model to address the needs of local communities where supply and access is impeded, underserved and unserved.



Deliver universal access to ECEC for children aged 0-5 years: 3 days for all children and up to 5 days for children or families experiencing disadvantage.



While actions are taken to make the CCS more equitable, alternative funding models should be explored so the system can deliver a universal entitlement for every child in Australia.

Want to learn more about the Front Project?



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