



2023-24 Federal Budget Submission

January 2023

Submission to the Australian Government on the 2023-24 Budget

Playgroup Australia is pleased to make this submission to the Australian Government, to inform its development of the 2023-24 Budget. We seek to ensure that decisions about national development and investment consider the needs of young children and their families, and particularly the provision of play-based learning and community-based family support through playgroups.

1. About playgroups – and why they matter

Playgroups are groups of young children (birth to school-age) and their parents or carers who meet regularly to play and socialise. Playgroups make a significant contribution to family support and early childhood development outcomes in Australia, providing: play-based learning and opportunities to support development across all domains; social support for parents and carers; and connections that build communities.¹

Playgroup Australia is the peak body for providers of playgroup services. Our mission is to advocate for playgroups and support our members to strengthen delivery of quality services to young children and families.

Our members and partners deliver community playgroups across every state and territory, supported by funding from the Australian Government. Community playgroups are mostly volunteer-led, which means they strengthen local communities while they support the wellbeing of children, parents and carers. Our members and partners also deliver supported playgroups, which build community inclusion and participation for children and families with particular needs.

Playgroup Australia, its members and service delivery partners have a strong focus on meeting the needs of all children and families. We understand that the nation benefits when all children, parents and carers have access to affordable, appropriate local playgroups.

2. Summary of recommendations

This submission makes the following recommendations:

Recommendation 1: Establish an Early Years Investment Fund, as part of the Future Fund, to invest in services and programs for children and their families.

Recommendation 2: Increase indexation of government grant funding under the Children and Parenting program, to keep pace with inflation and wage increases.

Recommendation 3: Support the development of a Playgroup Workforce and Volunteer Plan.

3. Investing in the early years

As we enter 2023, the policy environment surrounding young children and families is more positive than it has been in many years. The Australian Government is pursuing the development of an Early Years Strategy, which will seek to harness and harmonise decision-making across portfolio areas, to deliver better policy and outcomes at the federal level. The Government has also extended the Child Care Subsidy (CCS) to more families, and increased the CCS rate, to lower the cost of early childhood education and care.

¹ McLean, K., Edwards, S., & Tarasuik, J. (2022). [Playgroup statement](#). Prepared for Playgroup Australia. Australian Catholic University.

The domains of early childhood development can be characterised as: physical health and wellbeing; social competence; emotional maturity; language and cognitive skills; and communication skills and general knowledge ([Australian Early Development Census](#), 2023).

Across the states and territories, governments are intensifying their policy focus and investment in the first five years, seeking to build a strong foundation for children's lives. The current context for public investment in the early years is therefore very favourable.

This high level of public policy activity stems from widespread acceptance of the strong evidence around the importance of the first five years of life. Put simply, a child's early circumstances shape their experiences and outcomes across decades. The research and data spell out what this means, with compelling clarity:

- Children who have experienced family, neighbourhood or school disadvantage (or a combination of the three) are likely to have poorer cognitive and social outcomes throughout life.²
- An 'enriching home learning environment in the early years of childhood' is essential for later success in life – but is harder to find in families experiencing disadvantage.³
- Children from socioeconomically disadvantaged backgrounds have poorer learning outcomes, which create 'adverse health outcomes in adulthood'.⁴
- Children who experience disadvantage have an eight- to ten-fold higher chance of experiencing socioeconomic disadvantage in young adulthood.⁵

However, despite these comprehensive research findings, governments are yet to develop equally comprehensive policy responses. Ongoing datasets, such as the Australian Early Development Census, show that developmental vulnerability among children starting school remains persistently high: 1 in every 5 children arriving at school in Australia is set up to fail.⁶

Investing more in the early years will help children and their families, and with them the national economy. The first five years of every child's life determine their cognitive development, mental health and physical health. If we fail to support children and families during this critical period, we are left to deal with the consequences, which are expensive. Governments in Australia spend an estimated \$15.2 billion each year providing crisis services to children and young people, for problems that could have been avoided through early intervention.⁷

As one Australian research team put it,

Finding new evidence-based ways to improve outcomes for disadvantaged children can generate significant social and economic benefits through savings in health, education and welfare budgets, and improved productivity'.⁸

4. Our proposals

To improve the life chances of every Australian child – and therefore strengthen the Australian economy – we propose the following three public policy measures:

² Warren, D. & Edwards, B. (2017). [Contexts of Disadvantage](#). Occasional Paper No. 53. Department of Social Services.

³ Ibid.

⁴ Goldfeld, S., Moreno-Betancur, M., Guo, S., Mensah, F., O'Connor, E., Gray, S., ... O'Connor, M. (2021). Inequities in Children's Reading Skills: The Role of Home Reading and Preschool Attendance. *Academic Pediatrics*, 21(6), 1046–1054. doi:10.1016/j.acap.2021.04.019.

⁵ O'Connor, M., Guo, S., Letcher, P., Sanson, A., Goldfeld, S., & Olsson, C. A. (2022). Developmental relationships between socio-economic disadvantage and mental health across the first 30 years of life, *Longitudinal and Life Course Studies*, 13(3), 432-453. doi.org/10.1332/175795921X16459587898770

⁶ Australian Early Development Census, <https://www.aedc.gov.au/>.

⁷ CoLab, Telethon Kids Institute, Minderoo Foundation, Early Intervention Foundation, Woodside and The Front Project (2020). [How Australia can invest in children and return more](#).

⁸ Goldfeld S, O'Connor M, Cloney D, Gray S, Redmond G, Badland H, Williams K, Mensah F, Woolfenden S, Kvalsvig A, Kochanoff AT. (2018). Understanding child disadvantage from a social determinants perspective. *J Epidemiol Community Health*. 72(3): 223-229. doi: 10.1136/jech-2017-209036. p. 228.

(a) An Early Years Investment Fund for Australia

Investing sovereign wealth in the early years of children's lives is the surest bet any government could make. The Australian Government should therefore establish an Early Years Investment Fund, a new stream of the Future Fund portfolio.

The Early Years Investment Fund would support a long-term, cross-portfolio program of investment to support young children and their parents and carers. The selection of projects for investment from the Fund would be a matter for government, but might include:

- Extension of paid parental leave
- Provision of mental health support for new parents
- Access to affordable, appropriate playgroups for all families
- Health and development screening for all children
- Equitable access to preschool/kindergarten for all children (aged 3 years and up)
- Action under the *National Plan to End Violence against Women and Children 2022-32*
- Implementation of policy measures recommended by the Early Years Strategy.

These are the kind of 'big ticket' policy investments highlighted by the Centre for Policy Development in its proposed nationwide guarantee for young children and families.⁹

The Early Years Investment Fund could also underwrite the establishment of social impact bonds, mobilising private capital and state and territory government investment to deliver clear, measurable improvements in the lives of children and families.¹⁰

Recommendation 1: Establish an Early Years Investment Fund, as part of the Future Fund, to invest in services and programs for children and their families.

(b) Better indexation of grant funding

Supporting community organisations to provide services for families and children is a well-developed line of public investment. For example, Children and Parenting funding from the Department of Social Services supports organisations to deliver a range of early intervention and prevention services and resources to families. This includes services under the Children and Parenting Support (CaPS) program, which supports provision of community playgroups around the country.

However, the capacity of community organisations and charities to deliver services to children and families is curtailed when inflation and wage increases outstrip growth in grant funding. Among Playgroup Australia's member organisations, staff wages and playgroup resources comprise the bulk of costs. These costs have been rising quickly over the last year. On 1 July 2022, workers covered by the Social, Community, Home Care and Disability Services Industry Award received a pay increase of 4.6%. In addition, inflation has been growing well above historical averages: in the 12 months to December 2022, the Consumer Price Index (CPI) rose by 7.8%.¹¹

The indexation of government grants to community organisations and charities needs to keep pace with this rise in the cost base. The Government's announcement in the 2022-23 Budget (October 2022) of a pool of \$560 million over four years, to supplement regular indexation, was welcome.¹²

⁹ Centre for Policy Development. (2021). [Starting Better: a guarantee for young children and families](#).

¹⁰ Social impact bonds fund the provision of services that have a demonstrable (quantifiable) positive social impact. Social impact bond programs aimed at supporting families and children have been developed by organisations including [Social Ventures Australia](#) and [The Benevolent Society](#).

¹¹ Australian Bureau of Statistics. (2023). [Consumer Price Index, Australia](#) (December quarter 2022).

¹² Australian Government. (2022). *Budget Paper No.2*, p. 84.

However, we understand that this pool will not apply to all organisations receiving government grants – meaning this is only a partial solution.¹³ Without universal rises in grant indexation, community organisations will have no choice but to cut their services – meaning that children and families will pay the price.

Recommendation 2: Increase indexation of government grant funding under the Children and Parenting program, to keep pace with inflation and wage increases.

(a) Playgroup Workforce and Volunteer Plan

There are thousands of playgroups running across Australia each week, providing sites for play-based learning, peer support and community connection. Across the Playgroup Australia network alone, state and territory playgroup organisations support nearly 3,200 playgroups, most of them community playgroups.¹⁴

Each community playgroup is led by a volunteer – a parent or carer who takes on the role of administering the group, welcoming new families and planning and delivering activities. State and territory playgroup organisations manage this large network of volunteers, providing support and guidance so that playgroups are equipped to meet the needs of all participants.

State and territory playgroup organisations also employ playgroup facilitators, who deliver services at supported playgroups. These playgroups typically focus on children with disability or additional needs, providing tailored environments for appropriate play. Playgroup facilitators require high-level skills and experiences, including formal qualifications (usually in community development or early childhood education and care).

Supporting parent volunteers to run community playgroups is an increasingly important task for playgroup organisations. When parents and carers are juggling paid work with family responsibilities, volunteering to run a playgroup can seem a daunting prospect – unless sufficient support is provided. Recruiting playgroup facilitators can also be difficult (particularly in rural and regional areas), with workforce shortages exacerbating existing challenges, such as short-term contracts and grant funding uncertainty.

To secure the future of playgroups and the benefits they deliver, we need to build our national pool of volunteers and paid staff. A Playgroup Workforce and Volunteer Plan would help us to do this. Such a plan would draw on the new National Strategy for Volunteering, which is due for release in February 2023. Support from the Australian Government would enable Playgroup Australia to begin developing the Playgroup Workforce and Volunteer Plan in 2023-24.

Recommendation 3: Support the development of a Playgroup Workforce and Volunteer Plan, drawing on the new National Strategy for Volunteering, which is due for release in February 2023.

Our members



¹³ Karp, P. (2022). [‘Housing, Indigenous and domestic violence services to receive extra \\$560m in federal budget’](#). The Guardian, 23 October.

¹⁴ Comprising Playgroup Australia’s five members and its three service delivery partners.

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