



Budget priorities to support Australia's children and young people

January 2024

Our vision is for a better world, with and for young people.

About the Y

- The Y (formerly the 'YMCA') is a not-for-profit organisation, operating in more than **680 communities** with **11,500+ employees** and **over 16 million visits to our programs and facilities** in the past year.
- Across our federation, the Y provides a broad range of services that support children and young people across the course of their lives – from childcare, outside of school hours care, youth development and support programs, outdoor education, flexible learning and vocational schools, and meaningful career pathways.
- We also deliver community recreation, health and fitness, and disability services.



Investment in the education of Australia's children and young people should be a priority of the 2024 Federal Budget

Budget Submission on a page

1. The Australian Government's reform agenda in the Early Childhood Education and Care sector requires key investments including:
 - A commitment to fully funding and flowing on a significant sector wide wage increase
 - Construction of new and upgrade existing Early Learning Centres by providing a fund and concessional loans for the not-for-profit sector, with a focus on eliminating childcare deserts
 - Increasing Commonwealth support for children with additional needs.
2. The impacts of the pandemic and lockdowns have left a legacy of increased student disengagement. We want to re-engage students in their education by funding targeted local programs to reduce school refusal and class disruption.
3. There is a gap between young people value of democracy and their confidence in Australia's formal democratic institutions and processes. We want to fix the 'democracy gap' by funding educational programs for young people in civic engagement and social cohesion

Supporting children to reach their potential through quality and accessible Early Childhood Education and Care (ECEC)

The Y delivers:

- 56 Early Learning Centres
- 93 stand-alone Kindergartens
- 248 Out of School Hours Care programs



Fully fund and flow on a significant sector-wide wage increase



The Policy Problem

- Quality ECEC relies on a skilled workforce.
- Low wages are driving ECEC workers to leave the sector, creating a national workforce shortage.



Investment Opportunity

- Fund higher ECEC wages to recruit and retain a quality ECEC workforce.



Cost

- Cost subject to wage negotiation outcomes (EBA bargaining underway).
- Increase in wages will need to be fully subsidized by government to ensure sector sustainability.
- Once new agreement has been determined, consistent and efficient roll-out throughout the sector is required to avoid unintended consequences on the workforce.

“Making childcare more affordable will not increase provision unless the wages and labour supply issues are addressed” – Senate Select Committee on Work and Care, Final Report (2023)

Provide targeted and sufficient capital and operational funds to the not-for-profit sector to support service delivery in childcare deserts



The Policy Problem

- More than a third of the population live in 'childcare deserts', where childcare placement availability does not meet demand.
- These childcare deserts are disproportionately located in rural and regional areas and where there are higher proportions of children and families on lower income or living below the poverty line – meaning children who are most likely to benefit from ECEC have the least access.
- Not-for-profit providers are more likely to operate in disadvantaged areas – areas underserved by the market as they are less profitable than advantaged areas.
- Not-for-profit ECEC providers operate within a smaller profit-margin and have lower fees than for-profit providers. As such, they have less ready access to capital and are constrained in their ability to build new or refurbish existing facilities to meet community need.



Investment Opportunities

- Support not-for-profit providers to expand their reach in childcare deserts.
- Operational funds*
- Provide sufficient funds to support operating costs in thin markets/childcare deserts.
- Capital funds*
- Establish a capital/infrastructure funding program to support not-for-profit ECEC providers to expand placement offerings and help ensure facilities are fit-for-purpose, accessible and provide positive learning environments.
 - Establish a concessional loans program to offer a complementary or alternative avenue to capital funds.



Cost

- Grants of up to **\$1 million for major infrastructure** builds or renovations and grants of up to **\$150,000 for minor** renovations or refurbishments.
- Concessional loans program for not-for-profit providers modelled on previous concessional loans programs operated by the Commonwealth Government.
- This policy ask would include a major revision or new investment in the Limited Supply Program.

“Current policy settings mean that where Australians live still plays a significant role in whether they can access this crucial service [childcare] ... children need a system that meets their needs so that they can have the best start in life, regardless of where they live or the income of their parents” – Mitchell Institute (2023)

Increase Commonwealth support for children with additional needs



The Policy Problem

- ECEC service providers are not adequately resourced to support children with additional needs.



Investment Opportunity

- Increase ECEC inclusion funding and remove administration barriers to support equitable access to ECEC for all children.
- This includes removing the Inclusion Support Program Additional Educator hourly cap, ensuring funding is properly indexed with educator wages, and delivering a needs-based funding program that recognises the need for higher levels of funding in areas of disadvantage.



Cost

- At minimum, **match the relative inclusion funding of state and territory early education.**
- For example, the South Australian Royal Commission into Early Childhood and Care found that state expenditure on inclusion was nearly seven times more than Inclusion Support Program expenditure per capita.

“The Australian Government should significantly increase funding for the Inclusion Support Program and streamline the requirements of the program to expand its reach” Productivity Commission Draft Report (2023)

Supporting young people to reengage with education at a critical life stage

The Y delivers:

- Alternative Suspension Program
- Jump Start automotive program
- ReBuild social enterprise
- The Bridge Program, supporting young people involved with the justice system
- Invigor8ing Education engagement program
- Vocational schools
- Youth centres, programs and case management
- School attendance programs
- Breakfast programs and more



Re-engage students in their education by funding targeted local programs to reduce school refusal and class disruption



The Policy Problem

- School refusal and class disruption rates are increasing around the country, particularly after the COVID-19 pandemic and lockdowns.
- A supportive community environment is critical to engaging in education – however, many community-based programs which provide this targeted support struggle to obtain sufficient and secure funding.
- The existing funding available is not fit-for-purpose and limits the extension of community-valued and effective programs.



Investment Opportunity


- Establish a fund to support targeted local student re-engagement programs. The fund would support not-for-profits to design, deliver and evaluate a variety of programs that provide wrap-around support and community connection that keep young people engaged in education.
- This grant program should be delivered by the Department of Education to ensure students' community-level needs are prioritised alongside/within other education strategies.
- Y programs like Alternative Suspension (NSW) and JumpStart (Vic) are examples of candidate programs.



Cost

- **\$30 million** to establish a grants program grants that enables not-for-profit services to trial, pilot and evaluation new initiatives, and extend existing, successful initiatives for up to four years.

“Working as an Engagement Officer across the five Public Secondary Schools I cannot speak highly enough of the value and outcomes that Jump Start offers young people. It keeps our most vulnerable connected to community and gives them hope and motivation for a positive pathway” – School Engagement Officer on Y Ballarat’s Jump Start engagement program

A large group of young people, likely members of a youth parliament, are seated in a formal chamber. They are dressed in business-casual attire, including suits, blazers, and dresses. The setting appears to be a legislative or parliamentary chamber with wood paneling and leather seating. The group is diverse in age and ethnicity. In the foreground, there are nameplates and floral arrangements on a table.

**Strengthening social
cohesion and
fostering the next
generation of leaders**

The Y delivers:

- Youth Parliament programs (all states/territories except ACT)
- Youth Press Gallery
- Junior Parliament
- UNO-Y and Future Leaders leadership programs
- Youth National Cabinet

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Fix the 'democracy gap' by funding educational programs for young people in civic engagement and social cohesion



The Policy Problem

- Young Australians are increasingly feeling disconnected with and distrustful of civil processes and institutions.



Investment Opportunities

- Establish a grants program to strengthen civic engagement and social cohesion in young people from diverse communities and cohorts, and to foster the next generation of community leaders.
- Develop a National Youth Parliament, building on the strengths of existing state and territory Youth Parliament programs.
- These programs would enhance existing offerings from the Australian Electoral Office and the Parliamentary Education Office who have limited resources to offer a wider-scale offering to support civic engagement across Australia.



Cost

- **\$2.4 million to offer grants up to \$300,000** of program funding over three years (\$100,000 per year) for eight successful applicants.
- **\$2.5 million** (per year) to deliver a National Youth Parliament program, bringing together young representatives from each federal electorate.

"There is a gap between aspirations for democratic and civic engagement of young adults and their low confidence in formal political institutions and processes." – Young Australians' Confidence in Political Institutions and Their Civic Engagement. Youth Research Collective, University of Melbourne (2021).

Contact

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