

Media Release

Ingrid Stitt MP
Minister for Workplace Safety
Minister for Early Childhood



Thursday, 1 September 2022

BEST START, BEST LIFE MEANS BILLIONS FOR VICTORIA'S ECONOMY

The Andrews Labor Government's nation-leading *Best Start, Best Life* reforms will deliver a boost of tens of billions of dollars to the Victorian economy – alongside significant benefits to early childhood development and families' hip pockets.

New independent analysis from Deloitte shows that *Best Start, Best Life* alone will boost Victoria's workforce by up to 24,800 FTE and increase the state's real GSP by between \$1.9 billion and \$2.8 billion in 2032-33.

By 2061-62, the benefits are set to swell further – delivering an average real GSP increase of between \$4.8 billion and \$7.9 billion, with up to 72,500 additional FTE per year.

When combined with the Commonwealth's proposed changes to the Child Care Subsidy, the impact on Victoria's economy will be even greater, creating up to 131,500 FTE per year by 2061-62 and a massive increase of between \$6.3 billion and \$13.5 billion in 2061-62 – a boost to our state economy of up to 1.6 per cent.

Many of these benefits will come from an increase to women's participation in the workforce which the program will create, fixing an early childhood system that just didn't work for working mums.

Currently, lack of access to childcare takes almost 26,600 women entirely out of the workforce in Victoria and costs our economy \$1.5 billion per year in lost earnings alone.

More than half of women who want to do more paid work say childcare is the main barrier preventing them. A shocking 2022 study found that having a baby opens up a 55 per cent pay gap for Australian women in the workplace compared to their male colleagues in the first five years after childbirth.

The Labor Government's nation-leading reforms will reduce this disparity for thousands of women. Between 9,100 and 14,200 additional primary carers expected to participate in the labour force by 2032-33, with the total hours worked by primary carers to increase between eight and 11 per cent.

With 94 per cent of primary carers being women, this increase will overwhelmingly benefit female-dominated sectors like education, health services and accommodation that are all currently facing skills shortages.

As well as giving more mums the opportunity to get back into the workforce and easing the cost of living for Victorian families, the economic benefits of the reforms extend to our littlest Victorians, who will see a lifetime of better opportunity with an extra year of early childhood education.

For every dollar invested in early childhood education, Australia receives \$2 back over a child's life – through higher productivity and earning capacity, and reduced government spending on health, welfare and crime.

Children in Grade 3 who went to kindergarten were 15 to 20 weeks ahead of those who didn't. By age 16, students who attended two or more years of kindergarten will have better cognitive and social skills, higher exam scores and better social and emotional outcomes, and be more likely to go on to higher academic study.

Best Start, Best Life will deliver these huge benefits by making kinder free across Victoria from 2023, delivering a new year of universal Pre-Prep for 4-year-olds from 2025 and establishing 50 government-operated, affordable childcare centres.

Media contact: Ben Ansell 0488 777 170 | ben.ansell@minstaff.vic.gov.au

Quote attributable to Minister for Early Childhood Education and Pre-Prep Ingrid Stitt

“We knew our Best Start, Best Life reforms would make a difference to the bottom line of families across Victoria – and this new analysis confirms our state will be billions better off for decades to come.”

Quote attributable to Minister for Women Natalie Hutchins

“For too long, women have been kept away from the workforce by hard to access childcare services that just don’t work for working families. That ends with us – and this analysis shows that when Victorian women benefit, the whole state wins.”