

Labor's Building Early Education Fund

On Wednesday 11th December, 2024, the Albanese Government announced their \$1 billion investment into establishing the *Building Early Education Fund*.

The Fund will build early childhood education and care centres across Australia, giving more families access to quality Early Childhood Education and Care (ECEC) in the regions and outer suburbs. Announced as part of a \$1.47 billion investment package, this initiative is set to roll out from July 2025 and aims to improve accessibility, affordability, and quality in early childhood education across Australia.

The Fund's Objectives

The *Building Early Education Fund* seeks to rectify inequalities in access by expanding infrastructure and increasing the availability of quality ECEC in underserved areas. By prioritising regions and outer suburbs, the Fund will focus on building and expanding approximately 160 ECEC centres in priority areas, particularly in regional locations and outer suburbs where access to services has historically been limited. Key features include:

1. **Capital Grants Program:** \$500 million allocated to not-for-profit providers and state/local governments for constructing new centres or expanding existing ones, often co-located on school sites for convenience.
2. **Commonwealth-Owned Services:** \$500 million provisioned to explore direct Commonwealth investment in owning and leasing centres, with associated funding for a business case ensure feasibility.

Regional and Outer Suburban Focus

The emphasis on regional and outer suburban areas reflects the government's commitment to addressing systemic inequities in ECEC provision. Communities in these areas often experience lower socio-economic outcomes, partly due to limited access to early learning opportunities. By targeting these regions, the Fund aligns with broader government goals of reducing inequality and fostering economic growth through inclusive policies.

Towards Universal Early Education



The Fund is a vital step toward realising the Albanese Government’s vision for universal early education, which includes the introduction of a *3 Day Guarantee*. This reform, replacing the current Activity Test in January 2026, will ensure every child is guaranteed at least three days of subsidised ECEC per week.

Prime Minister Anthony Albanese emphasised the transformative nature of this approach, stating:

“Every child should have the right to quality, affordable early education... because early education is about changing lives.”

Supporting Families and Workforce Participation

The benefits of these reforms extend beyond children. Enhanced access to affordable ECEC will support parents—particularly women—in pursuing work or study, fostering greater economic participation and equality. This complements the Government’s *15% pay rise for early educators*, which aims to attract and retain a skilled workforce to meet increasing demand.

Comprehensive Reform Backed by Evidence

Informed by findings from the findings of the [Productivity Commission’s inquiry into Australia’s ECEC system](#) and the [ACCC’s Childcare Inquiry](#), the Government is also developing an *Early Education Service Delivery Price* to better understand the costs of delivering services and guide future funding models. Together with the \$3.6 billion Cheaper Child Care reforms, these initiatives have already reduced costs for over 1 million families, saving the average recipient \$4,400 annually.

This initiative signals a decisive step toward achieving greater equity in education and sets the stage for sustained socio-economic improvements across the country.

Further information

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