



# *Australian Education Union*

*Ground Floor, 120 Clarendon Street, Southbank, Victoria, 3006  
PO Box 1158, South Melbourne, Victoria, 3205  
Federal Secretary : Kevin Bates  
Federal President : Correna Haythorpe*

**Federal Office**  
*Phone : +61 (0)3 9693 1800  
Fax : +61 (0)3 9693 1805  
Email : [aeu@aeufederal.org.au](mailto:aeu@aeufederal.org.au)  
Web : [www.aeufederal.org.au](http://www.aeufederal.org.au)*

2 June 2023

Early Childhood Education and Care  
Productivity Commission  
Locked Bag 2, Collins St East  
Melbourne Vic 8003

Email: [childhood@pc.gov.au](mailto:childhood@pc.gov.au)

Dear Sir/Madam,

**Re: AEU Submission to the Productivity Commission Inquiry into Early Childhood Education and Care**

Please find attached the Australian Education Union's submission to the Productivity Commission Inquiry into Early Childhood Education and Care.

Please contact me if you have any questions in relation to our response.

Yours sincerely,

Kevin Bates  
Federal Secretary



**Submission**  
**to the**  
**Productivity Commission Inquiry into Early**  
**Childhood Education and Care**

**2 June 2023**

**Correna Haythorpe**  
Federal President

**Kevin Bates**  
Federal Secretary

**Australian Education Union**  
Ground Floor, 120 Clarendon Street  
Southbank Vic 3006  
PO Box 1158  
South Melbourne Vic 3205

Telephone: +61 (0)3 9693 1800  
Web: [www.aeufederal.org.au](http://www.aeufederal.org.au)  
E-mail: [aeu@aeufederal.org.au](mailto:aeu@aeufederal.org.au)

## *Introduction*

The AEU acknowledges the Elders and Custodians, past and present of our diverse Nations and Countries. They are the knowledge holders and the educators of our communities.

We pay respect to the lore, sky and waters of these nations and will work together to ensure our future generations continue to look after Country.

We are committed to ensuring the voices of Aboriginal and Torres Strait Islander peoples are at the forefront of all decision making and all preschools, schools, TAFE and workplaces are culturally safe environments.

The Australian Education Union (AEU) represents over 195,000 educator members employed in the public primary, secondary, early childhood, and TAFE sectors throughout Australia. We welcome this opportunity to present our views on a universal early education and care system. The AEU believes that a high quality properly resourced public education system is the key to a more equitable and democratic society and a fundamental entitlement of all Australian children, regardless of their background, family income, circumstances or where they live.

*The early years of life are a period of rapid growth and development as children form their language, social, emotional and physical skills, and undergo significant cognitive development. These years provide the foundation for learning throughout school and beyond.*

-Alice Springs (Mparntwe) Education Declaration (2019)

High-quality early childhood education and care (ECEC) is a vital component of the public education system and an entitlement of all Australian children. It is integral to the educational, social, physical, and emotional development of children, consistent with the International Convention on the Rights of the Child<sup>1</sup>, and associated resolutions and statements made by the UN Committee on the Rights of the Child and/or adopted by the UN General Assembly.

The first few years in a child's life are the most important time for brain development and the key to building good social and emotional skills, which smooth a child's transition into school. Children who attend preschool can expect to achieve greater academic success, have better career prospects, better health and stronger family and personal relationships.

In addition to the significant long-term individual benefits for children, investment in high-quality ECEC also has significant benefits for families and for the social and economic fabric of our community. The importance of the link between access to high-quality preschool and success in school education and later life cannot be overstated.

The National Quality Framework (NQF) introduced in 2009 for early childhood education and care was a critical turning point for the sector. For the first time, states and territories were

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<sup>1</sup> UN, *Conventions on the Right of the Child*, 1990.

united under a national framework of regulation, assessment and quality improvement. The NQF lifted the bar for the sector and defined high-quality programs and outcomes for young children engaged in ECEC. There was much progress and promise for the sector. However, overly complex funding arrangements underpinned by a market-based approach, and a patchwork of policy settings across the country have resulted in quality early learning and care being out of reach for many families.

After almost a decade of neglect by the former coalition government, the ECEC sector has been left wanting at the national level. Affordability and accessibility to early learning and care remains a challenge for many families. Commonwealth funding certainty for preschool programs was a year-by-year prospect until very recently (2021). The ECEC workforce crisis continues to deepen as insecure employment, low wages and poor conditions undermine efforts to attract and retain staff across all ECEC services. And an unacceptable number of children continue to start school developmentally vulnerable, with persistent gaps between disadvantaged and advantaged communities and between First Nations and non-First Nations children.

The reliance on private for-profit providers (who are largely publicly subsidized) in the ECEC sector has failed to deliver a more affordable or accessible system, with private for profit services now making up 52%<sup>2</sup> of all services.

Australia can, and must, do better.

The AEU welcomes the work of the Commonwealth Government to address each of these challenges through the raft of inquiries, reform and work currently underway. This Productivity Commission inquiry is an important opportunity to rethink the provision of early childhood education and care including policy and funding settings in order for Australia to deliver high-quality early learning opportunities to all children. The AEU welcomes the Commonwealth Government's interest in building an affordable, accessible, high-quality, universal early education and care system.

Whilst we understand the scope of this inquiry covers the diverse ranges of early education and care settings and programs, this submission will focus primarily on the role and value of high-quality preschool education in the two years prior to formal schooling. For maximum impact, this inquiry and its recommendations must coordinate with the national Early Years Strategy and the implementation of the National Children's Education and Care Workforce Strategy. It is time to move beyond identifying the problems and put immediate actions into place. Throughout this submission we make recommendations for actions to achieve real change in ECEC and these are also collated as an Appendix to the submission.

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<sup>2</sup> ACECQA NQF Snapshot Q1 2023. <https://www.acecqa.gov.au/nqf/snapshots>

## *Two years of high-quality preschool education: creating the foundation for lifelong success.*

This inquiry must consider the value and benefits of two years of public preschool education as the way to achieve greater and more equitable outcomes for Australian children<sup>3</sup>. The Commonwealth Government must prioritise guaranteed access to at least 20 hours per week of free, high-quality preschool education for each of the two years prior to school, so that gain children can gain the positive impact this has on their development. The commonwealth government, in partnership with the states and territories, must maintain responsibility for funding and planning preschool education accessible to all children in Australia. The expansion of funded universal preschool to three-year-old children should be a policy priority. The recent 2023-24 federal budget failed to address this, with Australia an outlier of OECD countries yet to introduce funded three-year-old preschool.

Quality ECEC is a fundamentally important contributor to a child's school readiness. It provides the knowledge and skills that enable children to succeed at school, and throughout their lives. The critical cognitive skills gained in preschool enable children to thrive during their transition to school and help them to become lifelong learners. Preschool builds strong foundations for optimal early development, school readiness and provides the base for the confidently literate and numerate adult population.

The evidence is clear, and has been confirmed time and time again by Australian and international studies, including:

- COAG Reform Council (2012)<sup>4</sup> found that Australian students who had attended more years of pre-primary education performed better on standardised testing in Year 4
- OECD (2014)<sup>5</sup> found that students who had attended pre-primary education perform better in PISA at age 15, after accounting for the students' socio-economic status.

The OECD found that the duration of preschool has the largest impact on children's emergent literacy at age five after parental education and income, and the largest impact among variables that can be controlled through immediate policy changes.<sup>6</sup> The positive impact of at least two years of ECE on teen literacy is approximately 60% higher than less than two years of preschool

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<sup>3</sup> Mitchell Institute, *Preschool - two years are better than one*, 2016.

<sup>4</sup> Counihan, B, COAG education reports show early childhood and Year 12 are key, 2013, retrieved from <https://theconversation.com/coag-education-reports-show-early-childhood-and-year-12-are-key-19611>

<sup>5</sup> OECD (2014), "Indicator C2: How do early childhood education systems differ around the world?" in *Education at a Glance 2014: OECD Indicators*, OECD Publishing. [http://www.oecd.org/education/EAG2014-Indicator%20C2%20\(eng\).pdf](http://www.oecd.org/education/EAG2014-Indicator%20C2%20(eng).pdf)

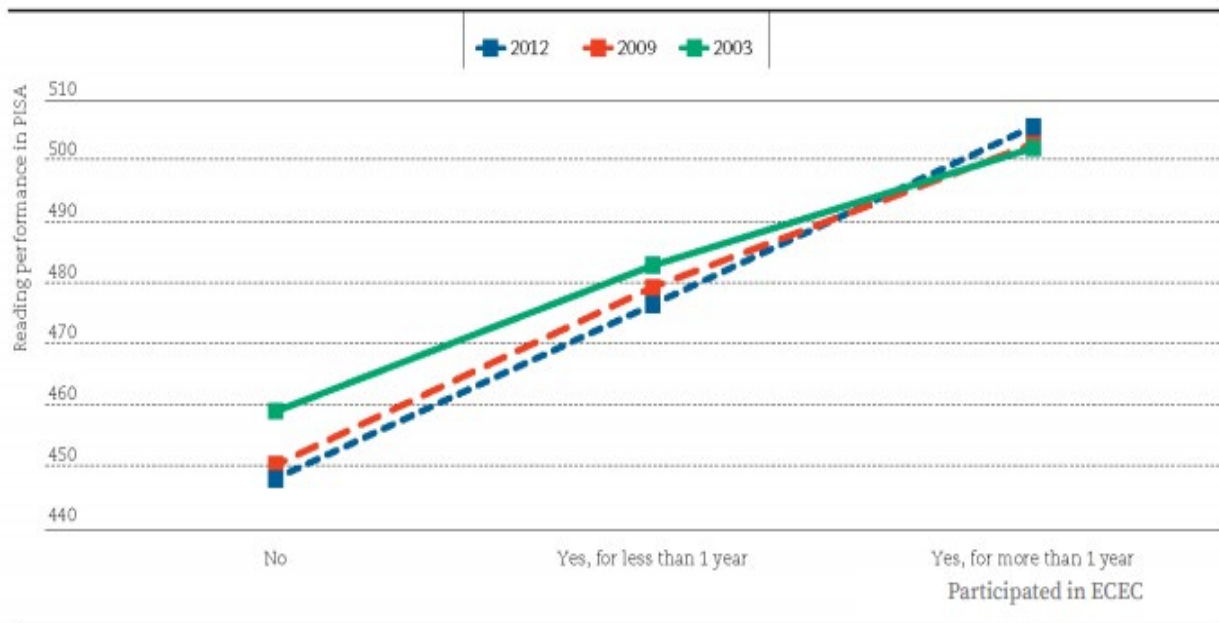
<sup>6</sup> OECD, *Early Learning Matters*, 2018, p. 9 retrieved from <http://www.oecd.org/education/school/Early-Learning-Matters-Project-Brochure.pdf>

and is equivalent to more than an entire year of schooling. Despite this, nearly one-quarter of Australian children arrive at school without the skills they need to thrive.<sup>7</sup>

The drive to improve foundational skills cannot begin only when an individual or group is identified as having a low level of literacy during or post school. Although literacy begins before preschool, when a child first starts to speak and understand language, the foundations of emergent educational literacy are embedded in preschool and continue through school and post school education.

The Mitchell Institute has described funding for three year old preschool as “a clear opportunity” and found that “moving to universal access to two years of preschool can be an affordable, achievable and effective way for us to achieve greater and more equitable outcomes for Australian children.”<sup>8</sup> This benefit extends through the school years and into early adulthood. This is clearly demonstrated in Figure 1, which shows the impact of participating in ECE for more than one year on PISA reading scores at age 15.

**Figure 1 Relationship between participation in ECEC programs and reading performance at age 15 throughout three PISA cycles<sup>9</sup>**



In each of the three PISA cycles analysed (2003,2009 and 2012) longer engagement with ECE resulted in an increase in PISA reading scores at age fifteen of at least 10% - a difference of more than an entire full year of schooling.

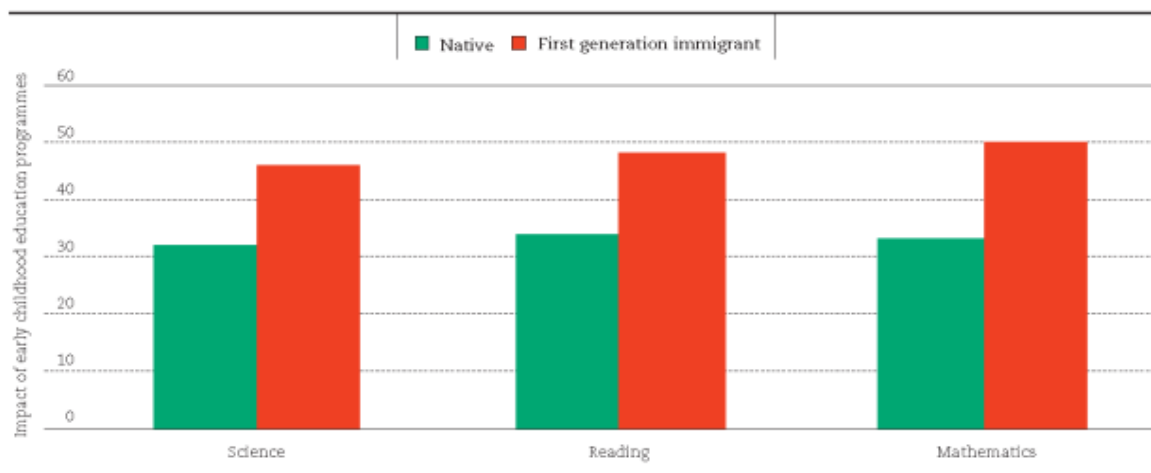
<sup>7</sup> Mitchell Institute, *Preschool – two years are better than one*, 2016

<sup>8</sup> Mitchell Institute, *Preschool – two years are better than one*, retrieved from <https://www.vu.edu.au/mitchell-institute/early-childhood-education/preschool-two-years-are-better-than-one>

<sup>9</sup> OECD, OECD (2014), “Indicator C2: How do early childhood education systems differ around the world?” in *Education at a Glance 2014: OECD Indicators*, OECD Publishing. [http://www.oecd.org/education/EAG2014-Indicator%20C2%20\(eng\).pdf](http://www.oecd.org/education/EAG2014-Indicator%20C2%20(eng).pdf)

Further OECD analysis also clearly demonstrates the positive impact of early ECE participation for migrant children. Figure 2 shows the score point improvement in reading performance for migrant and non-migrant (termed “native” by the OECD) children for those who started education at age three (in orange) compared to those who started at age 5 (in green).

**Figure 2 Impact of participation in ECEC programs and reading performance at age 15 migrant and non-migrant children**



It is resoundingly clear that in order to improve adult literacy and numeracy long term, the most effective (and most cost effective) measure is to expand universal ECE provision to two years. Introducing universal three year old access to preschool would have a demonstrated positive effect on literacy levels among Australia’s young adult population within fifteen years.

Australia lags behind much of the world when it comes to the provision of two years of preschool education. While most countries provide their children two years of preschool as standard, Australia only provides one year of preschool education with the commonwealth providing states and territories with a funding contribution. Only 67% of three-year-olds are enrolled in ECE in Australia, far behind the OECD average of 79%.<sup>10</sup>

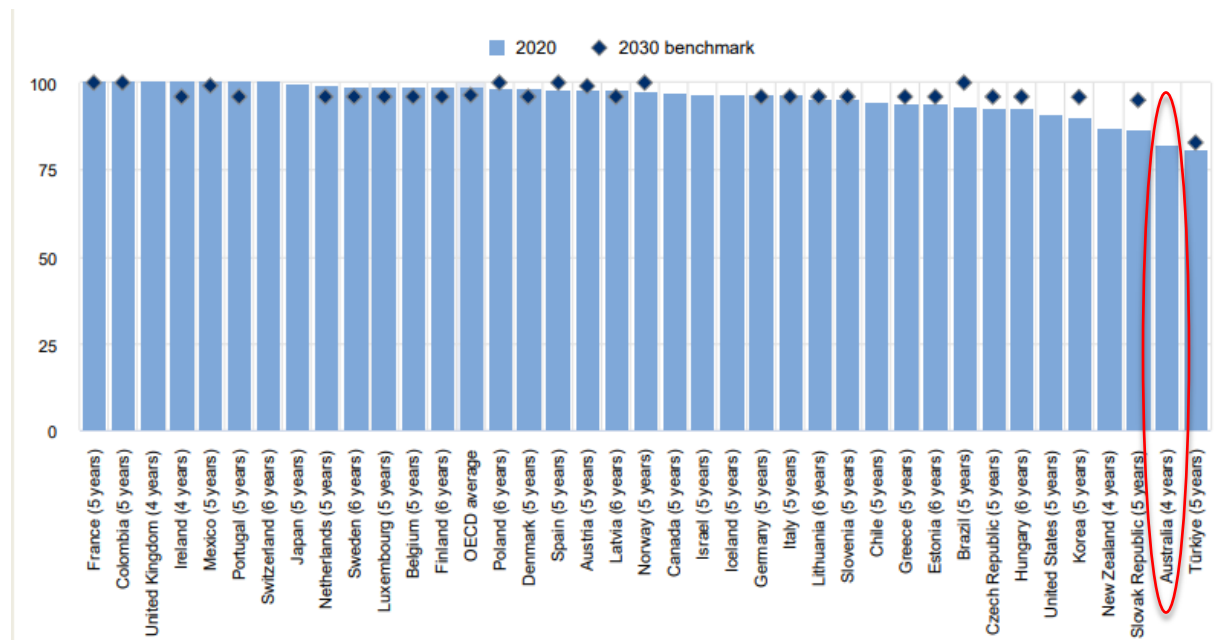
The UNESCO Sustainable Development Goal 4 target (4.2) of “ensuring that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education” was a focus of the OECD Education at a Glance 2022 report. Most OECD countries have full enrolment (over 90%) of children in organised learning in the year before primary (33 out of 38), and the report points out that there is substantial cross-country variation, with participation ranging from around 80% in Australia and Turkey to 100% in Colombia, France, Ireland, Mexico, Portugal, Switzerland and the United Kingdom.

Australia has the second lowest rate of participation one year before the official primary entry age of 5 years of all OECD countries, at 82%. Australia lacks a nationally consistent approach to school starting age and as a result, a minority of children are still yet to start preschool at the

<sup>10</sup> OECD, *Education at a Glance*, 2019.

official primary entry age, but Australia’s low participation rate is also indicative of its position as an outlier country in not providing two years of universal preschool as standard.

**Figure 3 Participation rate in organised learning one year before official primary entry age<sup>11</sup>**



Two years of high-quality preschool education is of critical importance to children’s development and life opportunities and must be seen as a universal, legislated right for all children. Within this context, it is essential that the commonwealth shares responsibility with the states and territories for ensuring the delivery of high-quality, free, public preschool education to all children in Australia.

Some states, notably Victoria, have now instituted preschool programs for all three-year-olds, NSW is trialing three-year-old preschool in long day care services, Victoria and NSW have committed to increasing the hours of preschool in the year before school and the South Australian Royal Commission into Early Education and Care has recently recommended universal preschool for three-year-olds. These advances mean that Australia potentially faces a situation where access to a three-year-old preschool program and an expanded four-year-old program will be dependent on which state a child lives. The commonwealth must be ambitious and take the lead to renew its commitment to universal early education to ensure programs for all three and four years olds are available in every community and that children are not subject to a postcode lottery – all Australian Governments must commit to extending universal preschool provision to all three year old children.

<sup>11</sup> OECD Education at a Glance 2022



**Recommendation 1:** That all Australian governments commit to promoting, funding and supporting universal access and full participation by three year-olds in quality public early childhood education programs

**Recommendation 2:** That a nationally consistent approach to increase guaranteed access to at least 20 hours per week of free, high-quality preschool education and extend to each of the two years prior to school is developed.

**Recommendation 3:** That public provision of ECEC, co-locating preschool services on school sites and investing in infrastructure is promoted to ensure access for all.

**Recommendation 4 :** That the national early childhood education and care workforce strategy is implemented to support the recruitment of the 16,000 educators and 8,000 teachers in that the strategy identifies as being required to November 2025 in order to improve the retention, sustainability and enhanced professionalisation of the workforce and improve service quality and children's outcomes.

### *Children must be at the centre of the early childhood education and care system*

Children must be at the heart of how governments think about and reform ECEC. The early years are not a rehearsal for later life, children must be respected for who they are right now and for the uniqueness of the early childhood years. All children deserve a high-quality ECEC experience and to lead happy, thriving lives now and into the future, regardless of their family background or circumstance. However, there is a persistent level of developmental vulnerability that has not shifted in more than a decade, with 11.4 percent of children developmentally vulnerable in two or more areas of development in 2021 compared to 11.8 percent in 2009<sup>12</sup>.

The value of early childhood education is not just in setting the foundations for cognitive, physical, emotional, social and language development. It is often essential in terms of the detection of impediments to learning which, if not attended to, could affect a child's learning potential for the rest of their life. ECEC can be the key to identifying and addressing vulnerability and helping to level the playing field. Children and families deserve to be supported from the earliest years, in ways that affirm culture, are inclusive of all family types, and recognise that some families need extra support.

ECEC services need to be resourced and supported to improve quality and outcomes for children where needs have been identified. Teachers need timely access to allied health professionals to help assess children and implement effective early intervention. Teachers and educational leaders also need to be afforded professional trust and autonomy to design and implement

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<sup>12</sup> AEDC, 2021 AEDC National Report, 2022.

appropriate curricula in accordance with the learning frameworks and based on contemporary evidence and best practice.

Children’s transitions from ECEC programs to school must be supported to be smooth and successful. Educators from across sectors need time to facilitate professional relationships, share information, and help children transition seamlessly. Success also depends on schools being ready for children, not just children being ready for school.

### ***Early childhood professionals are the backbone of quality***

The *Lifting Our Game* report identified that “*the most important factor in delivering quality is a skilled and stable workforce*” and “*Overall, the most influential factors affecting quality, across age groups and service settings, are the education, qualifications and training of the workforce. Higher educator qualifications are associated with better child outcomes.*”<sup>13</sup>

But the workforce is at a crisis point, with persistent high turnover and ongoing challenges in attracting and retaining staff. The impacts of poor morale and turnover on quality education and outcomes for children are profound. Secure employment, appropriate recognition, remuneration, career paths and the status of early childhood teachers and educators must be a priority. This must include parity of salary and conditions with other education sectors, irrespective of the location or centre type in which preschool education is provided and must ensure fair and reasonable workloads. Raising the status of the profession within society should also be a priority, to help the community understand the expertise and qualifications required to teach young children.

The undervaluing of early childhood teachers’ work and the increase in early childhood teachers’ workloads was recently recognised in a significant decision of a Full Bench of the Fair Work Commission regarding the historical and current undervaluing of their work.<sup>14</sup> The Commission held that the rates of pay for such teachers were never properly set, with the rates of pay failing to reflect teachers’ work value as degree-qualified professionals.<sup>15</sup> In addition to recognising this historic injustice, the Commission went on to detail the increased work value of teachers in the sector since 1996, highlighting the increase in training requirements required to enter the profession; the increasing professional accountability (particularly greatly increased expectations regarding reporting and being accessible to parents and families); the increasing complexity of the work (e.g. outcomes-based education and differentiated teaching, with associated increases in

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<sup>13</sup> Pascoe and Brennan, *Lifting our Game*, 2017.

<sup>14</sup> ‘*Equal Remuneration and Work Value Decision*’, 2021, FWCFB 2051

<sup>15</sup> *Ibid*, at [645].

documentation and analysis of students' individual educational progress); and the teaching and caring for a more diverse student population (particularly for children with additional needs).<sup>16</sup>

One of the challenges to improving wages and conditions for workers in the ECEC sector is that it is seen as everybody's problem and nobody's problem. Governments want employers to do more. Employers want the government to do more. Most directly, governments have the power, as the predominant funders of ECEC to directly affect the salaries, working conditions and professional autonomy of the ECEC workforce. Therefore, the primary responsibility to set the regulatory and legal frameworks to ensure that early childhood professionals are properly remunerated and that the conditions of their work are acceptable lies with government.

While the recent amendments to the Fair Work Act that support multi-employer bargaining will be an important step to improving wages in the female-dominated ECEC sector, it will require a genuine tripartite commitment from employers, more than half of whom operate for profit, unions and government. Any improvement to wages and conditions in the sector should not result in increased costs by way of fees for parents and carers.

A total of 216,619 staff were employed in the ECEC sector during the 2021 National Workforce Census (NWC) reference week, up from 195,000 in 2016. In addition, 23,837 (FTE) were employed in dedicated preschools during the 2021 NWC reference week.<sup>17</sup> However, due to the non-mandatory nature of the NWC for preschools, comparative data to previous years is not readily available. To ascertain a more accurate picture of the entire ECEC sector workforce demands, a more complete collection of data is needed.

Australia's ECEC sector is staffed by a professional, dedicated, hard-working, well-educated workforce. Data collected through the NWC estimates 85% of the ECEC workforce hold a qualification, including 12% with a Bachelor degree and above, and 14.1% with a degree in teaching. In 2021, 1 in 4 ECEC staff were studying for a qualification. This illustrates that workers in the sector are active in acquiring additional qualifications, to help sustain their careers, increase job security and earnings and contribute to a higher quality service provision<sup>18</sup>

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<sup>16</sup> Ibid, at [604]-[644].

<sup>17</sup> 2021 [ECEC National Workforce Census](#)

<sup>18</sup> Dean, M. *Educating for Care: Meeting Skills Shortages in an Expanding ECEC Industry*, The Carmichael Centre at the Centre for Future Work, 2022.

**Figure 4 Median weekly earnings before tax<sup>19</sup>**



Despite the high level qualifications held by ECEC teachers and educators and the significant ongoing study that many participate in, wages in for non-teaching educators are 34% less than the national median wage for all jobs, and earnings for Child Care Centre managers are also lower than the national average. In most jurisdictions Early Childhood Teachers are paid less than primary school teachers with the same qualifications.

Robust qualification requirements set teachers and children up for success. Maintaining the integrity of early childhood teaching qualifications is critical to lifting the status of the profession and helping the community appreciate that early childhood teachers, like those in schools, *are* qualified teachers. However, the maintenance of qualification integrity must be matched through pay parity for teachers regardless of the educational setting they work in.

All staff in early childhood education should be appropriately qualified and remunerated for the roles and tasks that are performed in the settings in which early childhood education is provided. Pre-service qualifications should be equivalent to four years of appropriate early childhood tertiary education, inclusive of any recognition of prior learning. Early childhood specialisation within the qualification is critical. Pre-service teacher education programs should also include significant and accessible mandatory units in the areas of Aboriginal Studies and Torres Strait Islander Studies and supporting children with additional needs.

The AEU objects to any fast-tracking of teacher qualifications that can lead to underqualified and underprepared teachers being thrust into the role before they are ready. Supporting pre-service teachers to build on existing certificate III, certificate IV and diploma-level early childhood credentials to undertake accredited Initial Teacher Education is a valuable way of developing the

<sup>19</sup> Source: <https://snapshots.acecqa.gov.au/workforcedata/profile.html>

expertise of existing staff and helping them identify a career path, upskill and remain in the profession.

Mechanisms that ensure proper registration and accreditation procedures must be adopted for all early childhood education teachers and educators. Teacher registration is one such important mechanism to control entry to the profession, promote confidence in the teaching profession, and recognise the unique skills and qualifications required to be a practicing teacher. Any professional development requirements attached to registration must enable early childhood teachers to utilise their professional judgment about what professional development best suits their needs, and staff supported to undertake professional development in paid time.

As such, the AEU welcomes the recent commitment in the 2023-24 federal budget to invest in the professional development and upskilling of the early childhood workforce. In particular we highlight the \$33 million allocated to fund paid practicums for EC educators undertaking ITE, but the AEU also asserts that much more work is required. The acute shortage of educators requires immediate attention with the Australian Children’s Education & Care Quality Authority estimating that the early childhood sector will require an additional 16,000 educators by November 2025.<sup>20</sup>

One important way to address the shortage of educators is by facilitating TAFE to teach Australia’s future early childhood educator workforce. This point is clearly made by the Carmichael Centre in their analysis of the workforce needs of ECE. The report states:

*To meet the needs of a world-class ECEC system, Australia’s VET system would need to dramatically ramp up its capacity to train highly qualified ECEC workers. And our review of the existing performance of VET providers in Australia makes it equally clear that the only institution with the capacity to meet that task is the TAFE system. Australia’s state and territory TAFE institutes are the anchors of quality, public, accountable vocational education in Australia. ...In this context, enhancing the ability of TAFE to train future ECEC workers, by developing a powerful and reliable skills pipeline, is a natural complement to the parallel goal of building a public and accessible ECEC system to meet the needs of Australian parents, children, and employers into the future.*<sup>21</sup>

Quality early childhood education is characterised by appropriate child-teacher ratios and group sizes, appropriately qualified and trained teachers and educators with opportunities for ongoing professional development, and enriching, well-equipped, caring and secure environments in

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<sup>20</sup> Australian Children’s Education & Care Quality Authority, *National Children’s Education and Care Workforce Strategy (2022-2031)*, September 2021.

<sup>21</sup> Dean, N., *Educating for Care: Meeting Skills Shortages in an Expanding ECEC Industry*, Carmichael Centre, 2022, p.6

approved and accredited locations, all of which should be defined and enforced by regulation. This is recognised in the National Regulations that detail the staffing and qualification requirements for all ECEC services. It is a worrying trend that there has been a marked increase in the proportion of services with a staffing waiver over the last ten years.

**Figure 5 Proportion of services with a waiver by quarter and waiver category<sup>22</sup>**

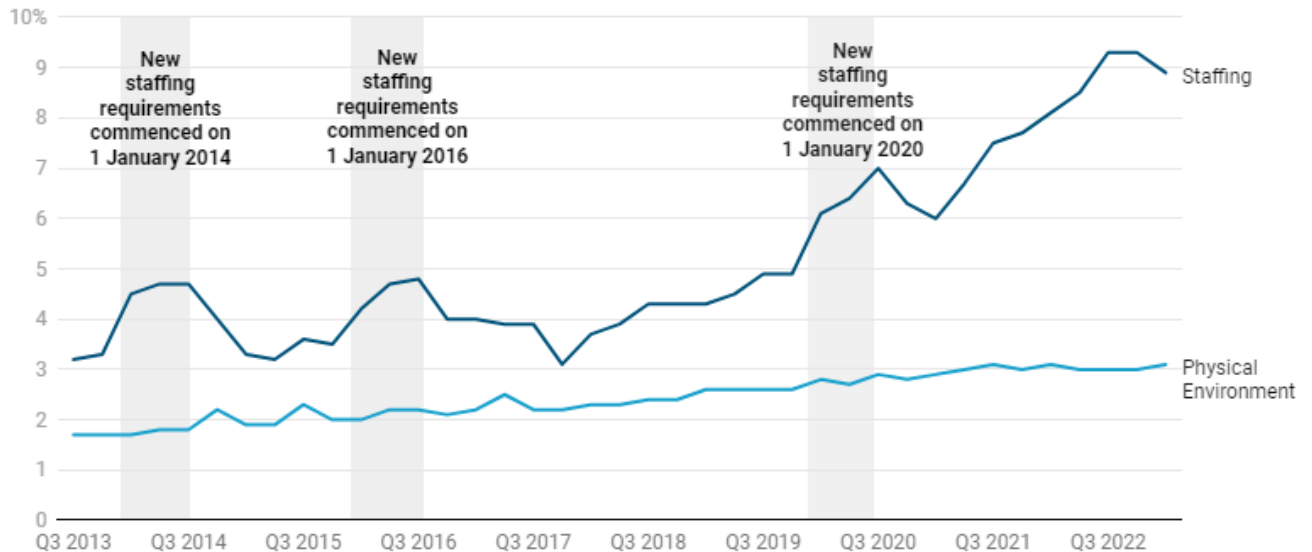


Figure 5 shows that the use of staffing waivers by ECE services has tripled from 2017 to 2022 and that there has been a particular surge from 6% of providers to 9% from 2021 onwards. The use of waivers is becoming increasingly entrenched as standard operating procedure across many providers. Caution must be taken when regulation is misrepresented as “red tape” by some in the sector, as those arguing for the removal of “red tape” such as the need to attain waivers for not meeting minimum staffing levels are often seeking to diminish staff qualification and educator-child ratio requirements in order to reduce costs and boost profits, thus undermining quality provision.

It’s no coincidence that the majority (68.9%) of staffing waivers have been issued to private for-profit providers<sup>23</sup> where the pursuit of shareholder profit is prioritised over the delivery of quality programs delivered by fully qualified staff. Temporary staffing waivers should only be issued where absolutely necessary if it means children would otherwise miss out on a program.

**Recommendation 5:** That stronger obligations on employers to offer conversion to employees inappropriately engaged in casual and fixed-term employment are imposed.

<sup>22</sup> ACECQA, *NQS Snapshot, Waivers*, <https://snapshots.acecqa.gov.au/Snapshot/waivers.html>, April 2023.

<sup>23</sup> Ibid

**Recommendation 6:** That the definition of ‘casual employee’ in the Fair Work Act is amended to better account for the substance of employment relationships, not just how the relationship is labelled by the employer.

**Recommendation 7:** That employers are obliged to regularly review the use of casual and fixed-term employment in their education workforces, and to consult with the relevant unions when doing so.

**Recommendation 8:** That providers of preschool/kindergarten are obliged to participate in the National Workforce Census.

**Recommendation 9:** That investment in the implementation of a strong and effective workforce strategy is increased by providing funding to enable the full implementation of the National Children’s Education and Care Workforce Strategy to attract and retain the thousands of new ECEC teachers and educators that are required.

**Recommendation 10:** That waivers should be carefully monitored by state/territory regulatory authorities and ACECQA and that penalties for the misuse of waivers are strengthened and that services that frequently make use of waivers are compelled to demonstrate their efforts to secure fully qualified staff or help existing staff upskill.

### ***The ECEC market model is not designed to adequately meet the needs of Australia’s children***

The overreliance on private providers is a threat to quality provision and drives the undervaluing of early childhood professionals. Two recent studies have shown that for-profit ECE providers spend a significantly lower proportion of total expenditure on educators than for not-for-profit providers. As most of the sector is run on a for profit basis and as wages are the largest cost component of ECEC services, an incentive is then created for private, for-profit centres to reduce expenditure on staff by “reducing hours, minimising the number of highly trained educators, and rostering on a high proportion of casual workers.” A 2020 study contended “while not all for-profit providers minimise costs to a degree that may compromise quality, the nature of this business model means that there is an inbuilt push in this direction. This is especially the case in markets where lower fees are a key factor in provider financial viability and/or family participation.”<sup>24</sup> Similarly, a 2022 study found that “many of these private companies also exhibit significant problems with standards compliance and quality of service provision” and that “the NQF [National Quality Framework] has consistently found that most private providers leave significant room for improvement.”<sup>25</sup>

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<sup>24</sup> Chifley Research Centre, *Investing in Australia’s Early Childhood Infrastructure*, 2020.

<sup>25</sup> Dean, M. *Educating for Care: Meeting Skills Shortages in an Expanding ECEC Industry*, The Carmichael Centre at the Centre for Future Work, 2022.

This contention is borne out by analysis of ACECQA NQF and Standards Data conducted by PricewaterhouseCoopers (PWC). As shown at Table 1, below, for-profit childcare services have lower quality service ratings than those run by not-for-profit providers. Private providers are less than half as likely (19% vs. 41%) to be rated as exceeding or excellent than community managed providers and much less likely than other not for profit providers to be rated exceeding for excellent (19% vs. 33%). For profit, private providers are also much more likely to receive the lowest possible quality rating of “working towards National Quality Standards at 21% compared to 14% for community providers and 8% for other nonprofit providers. PWC found that this totals 1,121 private for-profit childcare services that do not meet National Quality Standards.

**Table 1: ECEC service by quality ratings, provider type and market share<sup>26</sup>**

	Centre-based care services			Pre-school / Kindergarten		
	Exceeding or Excellent	Working Towards NQS	Share of national services (%)	Exceeding or Excellent	Working Towards NQS	Share of national services (%)
Private for profit	19%	21%	66.70%			
Private not for profit community managed	41%	14%	12.34%	57%	7%	49.58%
Private not for profit other organisations	33%	8%	13.99%	59%	3%	10.30%
State/territory and local Government managed				70%	3%	21.19%
State/territory government schools				44%	11%	10.89%
Independent schools				62%	5%	5.70%
Catholic schools						

Further analysis of the PWC NQS data by the Chifley Research Centre found three primary barriers to achieving a high quality publicly funded Early Education and Care sector as a key part of Australia’s economic and social infrastructure. The main barriers are that:

1. Quality varies by provider type with fewer for-profit centre-based care providers exceeding national quality standards, and more for-profit services not meeting quality expectations.
2. To a better understanding the impact educator expenditure levels have on service quality is needed, as higher spending on educators and teachers appears to be linked to higher service quality
3. There is a lack of information about key aspects of providing ECEC services which means we have limited capacity to address issues, such as provider viability and workforce longevity, that are essential for the long-term system sustainability<sup>27</sup>

The quality of private ECE providers fell even further through 2021, with the latest analysis of NQF, as summarised by the Carmichael Centre at the Centre for Future Work, showing that:

<sup>26</sup> Chifley Research Centre, *Investing in Australia’s Early Childhood Infrastructure*, 2020, p.ii

<sup>27</sup> *Ibid.* p.1



*The NQF report for the fourth quarter of 2021 found that just 16 per cent of private for-profit providers exceeded national quality standards (68 per cent met minimum standards), whereas 51 per cent of government services exceeded national quality standards (ACECQA 2021). The United Workers Union (2021b, p. 4) analysed NQF data and found that nearly three quarters of over 12,000 enforcement actions for quality and safety breaches since 2015 were incurred by PFP providers. This is evidence that the current market-based system of ECEC has produced damaging outcomes for ECEC workers and participants alike, commodifying an important economic and public service.<sup>28</sup>*

As shown in Table 2, for profit ECE providers of all sizes spend significantly less on educators and teachers than not for profit providers do, leading to the finding that although not conclusive “there seems to be a correlation between the provider types achieving poor quality outcomes, and those spending less on educators.”<sup>29</sup>

**Table 2: Analysis of expenditure on educator and teacher wages by provider type<sup>30</sup>**

	Not for Profit ECEC providers			For profit ECEC providers			Primary school
2019 annual reporting	Large NFP provider 664 services 70,700 children	Medium NFP provider 131 services 12,369 children	Small NFP provider 60 services 10,000 children	Large for-profit provider 379 services 54,000 children	Medium for-profit provider (May 2019) 86 services 7,405 children	Small for-profit provider 21 services No. of children not reported	Australian government primary schools (2017-18) <sup>13</sup>
Wages as a % of expenses	70%	76%	66%	59%	63%	61%	79.5%

Source: PwC analysis of provider and ACARA data. Note that ECEC expenditure excludes user costs of capital.

This analysis led to numerous recommendations on provider funding and spending transparency, including those restated in this section.

Whilst improving access to childcare through increased subsidies is a beneficial and welcome change, this additional investment must also be levered to improve quality through increased investment in Early Childhood Teachers and Educators. The increased subsidies proposed by Family Assistance Legislation (Cheaper Child Care) Bill 2022 cannot be used by for profit providers to as an opportunity to simply increase scale at their current levels of staff investment – there must be a commensurate increase in investment in staff and in the quality of service provided. The scale of the current issue is again highlighted by the Carmichael Centre Report:

*The dominance of the ECEC industry by for-profit providers receiving an increasing share of public subsidies is not translating into maximised public benefit from this*

<sup>28</sup> Dean, M. *Educating for Care: Meeting Skills Shortages in an Expanding ECEC Industry*, The Carmichael Centre at the Centre for Future Work, 2022, p.15

<sup>29</sup> *Ibid.* p.7

<sup>30</sup> *Ibid.* p.7

*essential service. The United Workers Union has reported on the diversion of public money from direct care of children and staffing resources because of the industry's corporatisation, focusing particularly on how five large for-profit private providers account for \$1.7 billion (12%) of total sector revenue.<sup>31</sup>*

**Recommendation 11:** That providers are required to disclose their expenditure on key areas that affect service quality, including educator and teacher spending, retention and turnover rates, and operating surpluses.

**Recommendation 12:** That collection of higher quality data about current provision costs, including the level and nature of expenditure on educators, is mandated to underpin more targeted investment in educators' time and careers.

**Recommendation 13:** That employment approaches and professional structures that support stable careers with opportunities to develop, progress and lead are promoted. Investing in educators' time and careers requires a funding model that does not encourage providers to manage costs by cutting over-ratio time and undervaluing planning, preparation, and supervision effort.

### ***Towards genuine universality - addressing access, equity and vulnerability***

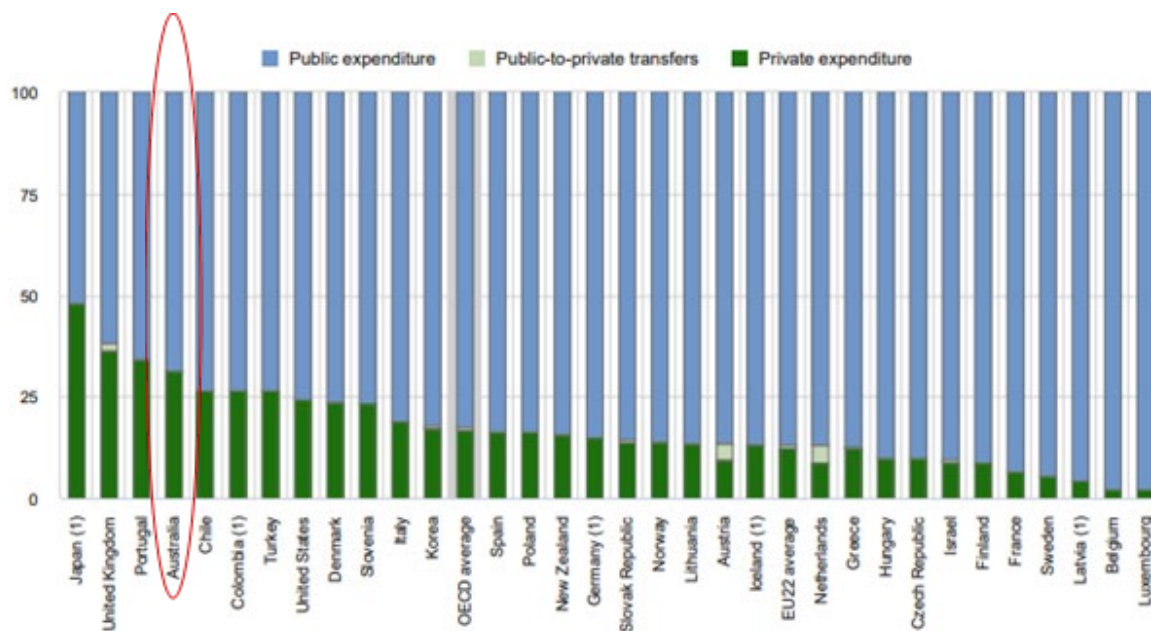
The Commonwealth Government has a responsibility to ensure equity of access to quality early education and care for all Australian children, and there have recently been some steps towards meeting that responsibility. The AEU welcomed the significant funding to improve affordability of childcare that was a highlight of the October 2022 Budget, however preschool was a striking omission from the announcement despite the fact that greater investment is needed to ensure that Australia's children have appropriate access to preschool education.

Australia is substantially behind other developed countries behind when it comes to public investment in ECE. Australia's expenditure on pre-primary education is 0.3% of GDP, half of the OECD average of 0.6% of GDP for 3-5 year olds - equal third lowest in the OECD. Australia's preschool expenditure per child aged 3-5 years is \$7,399 US, 20% less than the OECD average of \$9,260 US and 23% less than the EU average of \$9,564 US per child. Enrolments in private preschools in Australia are almost triple the OECD average and private expenditure on ECEC is increasing. 86% of children are enrolled in private pre-primary institutions, almost three times higher than the OECD average of 33%.

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<sup>31</sup> Dean, M. *Educating for Care: Meeting Skills Shortages in an Expanding ECEC Industry*, The Carmichael Centre at the Centre for Future Work, 2022, p.16

**Figure 6** Distribution of public and private expenditure on educational institutions in pre-primary education<sup>32</sup>



The evidence shows that from 2005-2020 Australia’s enrolment rate, measured according to OECD standards, improved from 77% to 82% of 3-5 year olds, but still lags behind the OECD average of 87% and the European Union average of 91%.<sup>33</sup> Only 65% of three year olds are enrolled in ECE in Australia, far behind the OECD average of 78%, and 87% of four year olds are enrolled in ECE in Australia, again lower than the OECD average of 88%.<sup>34</sup> This places Australia squarely in the bottom third of the OECD rankings for both 3 and 4 year old enrolment, behind the top half of OECD countries, all of which have enrolment rates above 90%.<sup>35</sup>

Public education is the key to a more equitable, more democratic society. Investment in quality public education during early childhood reaps significant long-term benefits for children, their families and the community. All children in Australia have the right to be given the very best start in life. Full investment must be made in the public provision of ECEC, as it is only through the public education system that families have a right to accessible and free early education.

As a matter of priority, the activity test for the Child Care Subsidy must be abolished. A report from Impact Economics and Policy, *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*, shows that the activity test is contributing to at least

<sup>32</sup> OECD, *Education at a Glance*, 2021

<sup>33</sup> OECD, *Education at a Glance*, 2022, Figure B.2.1, p.170.

<sup>34</sup> *Ibid.*

<sup>35</sup> *Ibid.*

126,000 children from the poorest households missing out on critical early childhood education and care<sup>36</sup>. The AEU welcomes the Commonwealth Government's pending changes to the activity test for Aboriginal and Torres Strait Islander families, but it does not go far enough and should be removed completely. Universal access cannot be achieved whilst barriers like this exist. The activity test also fails to recognise that it is the children who are missing out who stand to benefit the most from quality ECEC.

The serious issues of inequality between Aboriginal and Torres Strait Islander people and other Australians revealed by the Closing the Gap 2022 report should be of the utmost concern to this Inquiry. The 95% target for Aboriginal and Torres Strait Islander Children enrolled in year before schooling early childhood education has improved and was met at 96.7% in 2022 after falling as low as 86.4% in 2018, however progress against other targets has stalled and even regressed.<sup>37</sup>

Closing the Gap Target 4 to “increase the proportion of Aboriginal and Torres Strait Islander children assessed as developmentally on track in all five domains of the AEDC to 55%” provides a stark and concerning picture of the result of the failures of successive governments to remove barriers to preschool attendance, which is the primary driver of ensuring that developmental milestones are monitored and met. The 2018 baseline for this target was 35.2% and by the latest measurement in 2021 the rate of Aboriginal and Torres Strait Islander children assessed as developmentally on track in all five domains has declined to 34.4%. Given that preschool is such a fundamental foundation for future achievement this regression is of the utmost concern.

The failure to progress on this target is a prime example of why it is essential that barriers such as the activity test are removed for all children.

A comprehensive literature review and quantitative analysis by the Australian Institute of Family Studies (AIFS) of preschool participation among Aboriginal and Torres Strait Islander children shows that the value of preschool education is supported by many Australian and overseas studies which identify a range of specific preschool attendance benefits. Improved language, literacy, numeracy, cognitive and problem-solving skills at the start of formal schooling are just some of the established individual gains identified by the study.<sup>38</sup> As children from disadvantaged backgrounds are more likely than those who are not disadvantaged to reap the educational benefits, it is vitally important that accessible and high-quality preschool is available to children living in remote Australia, and particularly that it is available to those children living

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<sup>36</sup> Impact Economics and Policy, *Child Care Subsidy Activity Test: undermining child development and parental participation*, 2022.

<sup>37</sup> <https://www.niaa.gov.au/sites/default/files/publications/niaa-closing-the-gap-annual-report-2022.pdf> p. 63

<sup>38</sup> Hewitt, B, & Walter, M, *Preschool participation among Indigenous children in Australia*, Australian Institute of Family Studies, 2014, retrieved from <https://aifs.gov.au/publications/family-matters/issue-95/preschool-participation-among-indigenous-children-australia>

with multiple compound disadvantages, including one or more of remoteness, poverty, disability and Aboriginal and/or Torres Strait Islander status.

The study also makes the very pertinent point that for the 78% of Aboriginal and Torres Strait Islander children and their families living in urban and regional areas, engagement with preschool occurs within social, cultural and physical environments that are not necessarily based in Aboriginal or Torres Strait Islander cultures, whereas for children in remote areas, preschool will take place in an environment intrinsically linked to culture.<sup>39</sup>

Further, early childhood services and programs must recognise and affirm the cultural knowledge, language and values of young Aboriginal and Torres Strait Islander children and children from culturally diverse backgrounds. Children with special needs and children from disadvantaged backgrounds must be provided with equitable access to high-quality, properly resourced early childhood education which meets the needs of every child.

**Recommendation 14:** That the Commonwealth Government, in partnership with the states and territories, maintains responsibility for funding and planning dedicated preschool accessible to all children in the year before school.

**Recommendation 15:** That the activity test is removed for all parents of children attending preschool to ensure access for the most vulnerable children. Public preschool education must be free and equitably accessible to all eligible children in Australia irrespective of their location or background.

**Recommendation 16:** That priority is given to providing for two years of high quality, culturally appropriate, free preschool education for all Aboriginal and Torres Strait Islander children.

**Recommendation 17:** That urgent attention is given to maximising engagement and improving developmental outcomes for Aboriginal and Torres Strait Islander Children.

**Recommendation 18:** That initiatives such as studentships, paid practicums, and travel and housing support for teachers and educators in regional and remote communities are expanded where they currently exist and introduced where they do not.

**Recommendation 19:** That the commonwealth partner with states and territories to prioritise investment in government or community-run not for profit services, particularly in regional and remote communities.

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<sup>39</sup> Hewitt, B, & Walter, M, *Ibid.*

***Co-location of preschool and schools would improve access, engagement, integration with other services and increase workforce productivity***

Coordination between early childhood, health and family services must be developed and supported to provide a seamless continuum of education and care from birth to 5 years and beyond. Ideally, families should have access to a wide range of services in a single location such as long daycare, preschool, outside school hours care, and schooling.

This principal has been adopted by the Victorian Government in its commitment to build 50 integrated and co-located early childhood services in locations defined as childcare “deserts.” These centres will be built on public school sites, offering families the array of services they need. Taking the approach of integration and co-location further is the “Our Place” model<sup>40</sup> in Victoria, a partnership between the Coleman Foundation and the State Government. These ten sites located in some of the most disadvantaged postcodes in Victoria provide wrap-around education, health and well-being support to the whole family beginning with maternal child health and following the child right through primary school. A key feature of these is regular visits by allied health professionals to support children and staff. The Victorian government has also committed to build a preschool at or next to each new school as well as at existing government schools to facilitate smooth transitions for children and to ease pressures on families.

Children’s Centres and Children and Family Centres in South Australia also take the approach of bringing together education, health, community development and family services in a single location. Services on offer include playgroups, long daycare, preschool, parenting programs, health and allied health, and family practitioners. It just makes sense that where children’s services are co-located with schools there are opportunities to access support within the school such as counsellors and psychologists.

Children with special needs and/or from vulnerable or disadvantaged backgrounds should be given priority in phasing in universal access to two years of preschool education, along with children in rural and remote localities and Aboriginal and Torres Strait Islander children. Development of a national database on the provision of and participation in preschool education should give a particular focus to the identification of the barriers to access for individual children with special needs, children from Aboriginal and Torres Strait Islander or culturally and linguistically diverse backgrounds and disadvantaged groups.

A national picture of programs and supports currently offered by individual states and territories for children identified as disadvantaged or with special needs must be developed, with a view to identifying gaps and under-resourcing as well as exemplary models which have the potential to deliver quality education. There is no need to reinvent the wheel where programs are operating

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<sup>40</sup> <https://ourplace.org.au/>

effectively. Rather, there is a partnership opportunity for the commonwealth with states and territories to expand and build on already successful programs.

**Recommendation 20:** That additional funding to allow greater integration with allied health professionals to help children and implement effective early intervention is provided.

**Recommendation 21:** That the proposed national database on the provision of and participation in preschool education should focus on the identification of the barriers to access for individual children with special needs, children from Aboriginal and Torres Strait Islander or culturally and linguistically diverse backgrounds and disadvantaged groups, with a view to identifying gaps and under-resourcing as well as exemplary models which have the potential to deliver quality education.

### *Disadvantage doesn't start with school: the case for funded ECE loadings*

Together with developing a universal system of ECEC, the commonwealth should support states and territories with targeted funded programs to support children and families with particular needs. Together with a base allocation of funding, loadings should be allocated within the framework of a National Equity Program based on the number of children identified as disadvantaged or having special needs, targeted both at increasing participation and redressing disadvantage/meeting additional needs.

An example of targeted equity funding occurs in Victoria with School Readiness Funding for three- and four-year-old preschool programs. Each year additional funding is allocated to every preschool on the basis of the needs of children enrolled at the service informed by parental occupation and education data. Teachers and the service provider look at the local needs of the community, analyse local-level data, and plan for a program of support to enhance learning and build the capacity of staff. Preschools identified at the highest level of need can receive over \$200,000 per year of extra funding.

The commonwealth should also look at how inclusion support packages are working to ensure children and staff are getting support when they need it. Developmental vulnerabilities are best targeted early in a child's life, and to ensure early intervention ECEC services should have free access to nurses and allied health professionals such as speech pathologists and physiotherapists. They could also provide pathways for referrals to child psychologists and paediatricians, and work with NDIS liaison partners. Where these services are not integrated onsite, a weekly or regular drop-in model could provide an effective means of support and connection. Parents and caregivers also need to be set up for success. Appropriate outreach is important to identify families who need extra support in a way that is not perceived as punitive, to enable them to access universal programs and then be connected to the specialist programs they need.

The Commonwealth Government must also pay particular attention to children and families living in regional and remote areas where there are significant shortages of childcare places, identified as “childcare deserts”<sup>41</sup> with around 1.1 million Australians living in areas where there is no childcare available at all. The commonwealth should partner with states and territories to invest in government or community-run services. As outlined above, Victoria is embarking on the building of fifty government-run early childhood centres in childcare deserts. Supporting teachers and educators to work in regional and remote settings is also critical, and the government should consider initiatives such as studentships, paid practicums, and travel and housing support in its ECEC workforce strategy.

**Recommendation 22:** That the application of ECE loadings to preschool funding within the framework of a National Equity Program, are considered targeted both at increasing participation and redressing disadvantage/meeting additional needs.

### ***Public provision must be prioritised***

Despite the overwhelming evidence of the benefits of investing in the early years, Australia can and should do better when it comes to valuing children and investing in their early education. There is a lack of national consistency in access and entitlements for children with a patchwork of systems, services and funding sources in operation across the country.

This is demonstrated in the lack of investment when compared with other developed countries. Across the OECD, expenditure on all ECEC settings accounts for an average of 0.8% of GDP. Australia lags far behind on this OECD average with 0.57% of GDP expended on ECEC, and is significantly behind the best-performing countries for this indicator including Sweden, Iceland and Norway, which all spend at least 1% of GDP on ECEC<sup>42</sup>. It is pleasing to see that funding arrangements for ECEC and the consideration of a universal 90% childcare subsidy rate are key matters for this inquiry. This is a step in the right direction towards remedying Australia’s position as an underperforming outlier when it comes to investment in ECE. Despite an increasing number of children accessing ECEC services across the last decade, the only real growth in provision in that time has been in the for-profit sector, which has almost doubled in size since 2013.

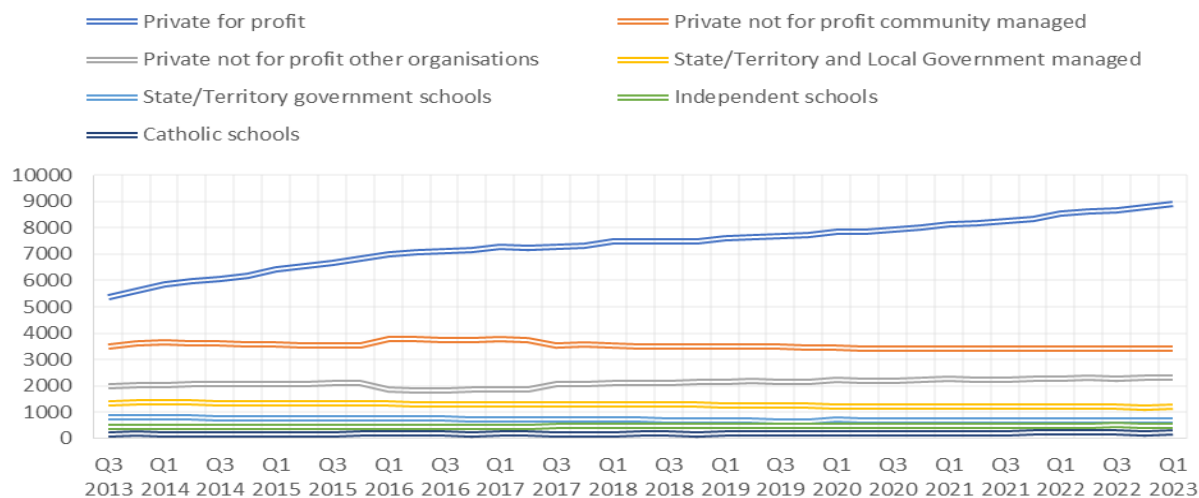
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<sup>41</sup> Mitchell Institute, *Childcare Deserts and Oases: How accessible is childcare in Australia?*, 2022.

<sup>42</sup> OECD, *Education at a Glance*, 2019.



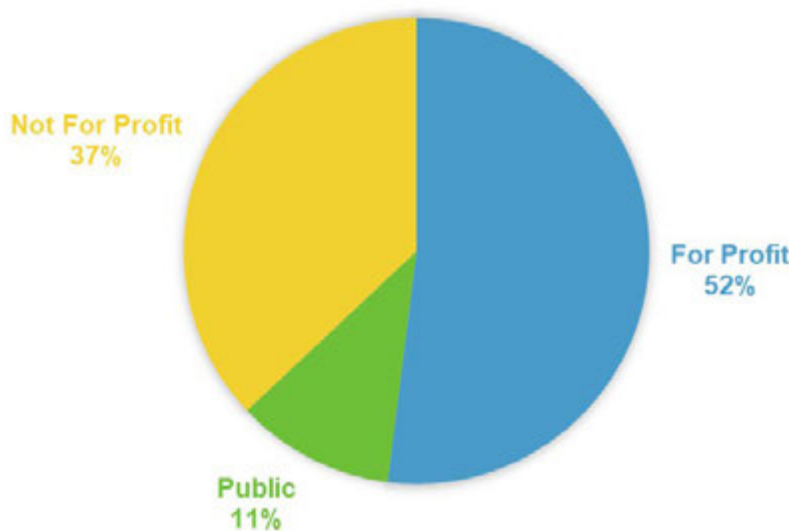
**Figure 7 Number and Management Type of ECEC services 2013 – 2023**



Huge amounts of taxpayer funding is now funneled to for-profit providers to the sole benefit of their shareholders, and the female-dominated workforce who prop up the sector largely go unrecognised, underpaid and undervalued for their efforts. There is an inherent problem with the framing of early learning and care in Australia as a “market” The primacy of the profit imperative in ECE is to the nation’s detriment and fails children and families and the early childhood workforce.

At present, more than half of all ECEC services are operated on a for profit basis. Government, including services in state and territory schools, deliver only 11% of services.

**Figure 8 ECEC Service Provision by Sector<sup>43</sup>**



<sup>43</sup> Source: ACECQA 2023

At the very least, priority of funding should be directed towards community-based and not-for-profit services, recognising that the education and care of young children should not be a “market” where young children are viewed as commodities to be profited from. Services in receipt of government funding should be subject to robust funding agreements that require funding to be allocated to programs for children with a focus on quality provision. A rigorous system of auditing should be established to identify service providers that breach their funding agreements.

The Chifley Research Centre has found that public ECEC provision is of superior quality to private provision. Their 2020 report concluded that public and not for profit ECEC providers are much higher quality than for profit and that 70% of state/territory or local government managed services exceed quality standards compared to 27% of private for profit services. The report finds that higher staff spend correlates with higher quality and low staff spend correlates with low quality, and recommends that governments increase investment in ECEC and that the public sector needs more certainty on funding to ensure sustainability, that there must be increased transparency on provider spending on quality, and that funding should be premised on quality universal access.<sup>44</sup>

Preschools also need an enduring, long-term funding agreement that provides certainty to the sector, and the AEU was pleased to see this as a priority for the Commonwealth Government through the Preschool Funding Reform Agreements. However, the commonwealth and state and territory governments must ensure that any implications arising from the introduction of a ‘preschool outcomes measure’ are fully funded and that there are safeguards in place to ensure that such a measure is not used to as a blunt tool to punish services who do not meet outcomes or achievement benchmarks. It must consider the type of provider, how available funding is spent including the proportion of revenue to staff and to profits, the demographic attributes of the cohort of children attending the service and the relative advantage or disadvantage of the area the service is located in. Further, all teachers and educators must be supported through the provision of time and professional development to support the implementation of the preschool outcomes measure.

**Recommendation 23:** That governments ensure that the introduction of any measure of preschool outcomes are appropriately resourced and that there are adequate safeguards is not punitive in its application

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<sup>44</sup> Chifley Research Centre, *Investing in Australia’s early childhood infrastructure*, 2020, retrieved from <https://www.chifley.org.au/publications/investing-in-australias-early-childhood-infrastructure/>

## ***ECEC is a key contributor to delivering economic equity for women and drives productivity***

Investing in ECEC pays a double dividend: enhancing outcomes for children, and investment in the ECEC sector can largely pay for itself through increased tax receipts from greater female workforce participation<sup>45</sup>. The lack of appropriate, affordable ECEC is a significant barrier to women being in the workforce or working more hours<sup>46</sup>. This issue is of particular relevance to the AEU, with a membership of almost 80% women. Without access to affordable and reliable childcare, workers must either fit their hours of remunerated work around their childcare responsibilities, change their working arrangements to alter or reduce their hours of work to account for their caring responsibilities; or, where neither option is possible, some workers are forced to leave paid employment to perform their caring role. These options all have profoundly negative consequences for those parents and carers, disproportionately women, who must choose between performing ‘double shifts’ of work then care, or reducing their hours of work, or leaving employment. Accordingly, women’s disproportionate role as carers has the effect of reducing their earning capacity, leave accrual, and superannuation accrual. With a significant and growing teacher shortage exceeding 10,000 teachers across the country, the Commonwealth Government must ensure that teachers and educators (along with all families) have ready access to ECEC to alleviate the challenges of balancing work and care.

AEU members, particularly those teaching in schools, face many challenges when seeking to return to teaching following periods of parental leave. Seeking to return to work part time, often means balancing the needs of the availability of childcare and the availability of another teacher with whom to job share. Or working a school timetable around the availability of a teacher on particular days of the week.

Indeed this challenge is compounded for AEU members in rural and remote communities that may completely lack any provision of formal ECEC services. The AEU has reports from members who have resorted to taking their children to their school workplace due to the absence of services in the communities they are teaching, rather than have the students they teach left without a teacher.

Further, recent data from the AEU State of Our Schools Survey shows that 73% of respondents with caring responsibilities for children reported accessing formal childcare on 3 or more days per week and 50% said they would make use of additional days of care if it was available.

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<sup>45</sup> Dixon, *A comparison of the economic impacts of income tax cuts and childcare spending*, 2020.

<sup>46</sup> ABS, *Barriers and Incentives to Labour Force Participation, Australia, July 2014 to June 2015*, 2016.

Below are selected quotes from AEU school teacher members on the cost and availability of childcare and its impact on their ability to increase the amount that they work”

*“Childcare cost and availability forced me to relinquish my permanent position.”*  
*“I basically work to cover the cost of childcare. It is ridiculously expensive having two children there. We are unable to save money with care, fuel, groceries and a mortgage. It is a stressful way to live.”*

*“The activity hours test is a huge disadvantage for teachers. On paper, I work 12.5 hours per week (0.5 load) but in reality I work about 35 hours per week. The CCS subsidy looks at my hours and as such I have been limited to only 3 days of childcare per week even though I do at least 10 hours of school work most weeks at home plus about 24 hours on site at school. My child is in care 4 days per week now in the hope that I can spend one of my 'days off' with him at daycare doing school work so I don't have to sit him in front of the TV and do a full day of school work on the weekend. However, when I increased him to 4 days my child care costs doubled because I was 4 hours a week over the cap due to the CCS hours I was granted.”*

*“The cost per day makes it untenable to go to work for extra days”*

*“The cost of childcare means that it's not financially worth it to increase my employment from 0.8EFT to 1.0EFT. The extra money I would earn would be used for childcare so I'm planning to stay at 0.8EFT. I'm lucky that my school has allowed to work 0.8 spread across 5 days and I need this flexibility to make everything work.”*

**Recommendation 24:** That investing in the collocation of ECEC services on public school sites, particularly in areas identified as ‘childcare deserts’ is made a priority. Priority access to collocated services should be available to school staff.

## *Conclusion*

### *It is time that government prioritise quality and universal accessibility to early childhood education and care over profit*

Australia is at an important juncture: governments can continue with the current arrangements that leave too many children and families unable to access any ECEC, let alone high-quality ECEC, and sees vast amounts of funding extracted in profit, or they can invest in and reform the system so that every child has a guarantee to the best start in life. Australia provides these guarantees when it comes to school education and healthcare, it's time for the Commonwealth Government to play its role as system steward and deliver a system of universal early childhood education and care that as emphasised by UNESCO Sustainable Development Goal 4 “ensures inclusive and equitable quality education and promote lifelong learning opportunities for all.”<sup>47</sup>

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<sup>47</sup> [https://www.sdg4education2030.org/the-goal#:~:text=Sustainable%20Development%20Goal%204%20\(SDG%204\)%20is%20the%20education%20goal&text=SDG4%20focuses%20on%20education%20and,lifelong%20learning%20opportunities%20for%20all.%E2%80%9D](https://www.sdg4education2030.org/the-goal#:~:text=Sustainable%20Development%20Goal%204%20(SDG%204)%20is%20the%20education%20goal&text=SDG4%20focuses%20on%20education%20and,lifelong%20learning%20opportunities%20for%20all.%E2%80%9D)

## **Appendix: Full list of recommendations**

**Recommendation 1:** That all Australian governments commit to promoting, funding and supporting universal access and full participation by three year-olds in quality public early childhood education programs

**Recommendation 2:** That a nationally consistent approach to increase guaranteed access to at least 20 hours per week of free, high-quality preschool education and extend to each of the two years prior to school is developed.

**Recommendation 3:** That public provision of ECEC, co-locating preschool services on school sites and investing in infrastructure is promoted to ensure access for all.

**Recommendation 4 :** That the national early childhood education and care workforce strategy is implemented to support the recruitment of the 16,000 educators and 8,000 teachers in that the strategy identifies as being required to November 2025 in order to improve the retention, sustainability and enhanced professionalisation of the workforce and improve service quality and children’s outcomes.

**Recommendation 5:** That stronger obligations on employers to offer conversion to employees inappropriately engaged in casual and fixed-term employment are imposed.

**Recommendation 6:** That the definition of ‘casual employee’ in the Fair Work Act is amended to better take into account the substance of employment relationships, not just how the relationship is labelled by the employer.

**Recommendation 7:** That employers are obliged to regularly review the use of casual and fixed-term employment in their education workforces, and to consult with the relevant unions when doing so.

**Recommendation 8:** That providers of preschool and kindergarten are obliged to participate in the National Workforce Census.

**Recommendation 9:** That investment in the implementation of a strong and effective workforce strategy is increased by providing funding to enable the full implementation of the National Children’s Education and Care Workforce Strategy to attract and retain the thousands of new ECEC teachers and educators that are required.

**Recommendation 10:** That waivers should be carefully monitored by state/territory regulatory authorities and ACECQA and that penalties for the misuse of waivers are strengthened and that services that frequently make use of waivers are compelled to demonstrate their efforts to secure fully qualified staff or help existing staff upskill.

**Recommendation 11:** That providers are required to disclose their expenditure on key areas that affect service quality, including educator and teacher spending, retention and turnover rates, and operating surpluses.

**Recommendation 12:** That collection of higher quality data about current provision costs, including the level and nature of expenditure on educators, is mandated to underpin more targeted investment in educators' time and careers.

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**Recommendation 17:** That urgent attention is given to maximising engagement and improving developmental outcomes for Aboriginal and Torres Strait Islander Children

**Recommendation 18:** That initiatives such as studentships, paid practicums, and travel and housing support for teachers and educators in regional and remote communities are expanded where they currently exist and introduced where they do not.

**Recommendation 19:** That the commonwealth partner with states and territories to prioritise investment in government or community-run not for profit services, particularly in regional and remote communities.

**Recommendation 20:** That additional funding to allow greater integration with allied health professionals to help children and implement effective early intervention is provided.

**Recommendation 21:** That the proposed national database on the provision of and participation in preschool education should focus on the identification of the barriers to access for individual children with special needs, children from Aboriginal and Torres Strait Islander or culturally and linguistically diverse backgrounds and disadvantaged groups, with a view to identifying gaps and

under-resourcing as well as exemplary models which have the potential to deliver quality education.

**Recommendation 22:** That the application of ECE loadings to preschool funding within the framework of a National Equity Program, are considered targeted both at increasing participation and redressing disadvantage/meeting additional needs.

**Recommendation 23:** That governments ensure that the introduction of any measure of preschool outcomes are appropriately resourced and that there are adequate safeguards is not punitive in its application.

**Recommendation 24:** That investing in the collocation of ECEC services on public school sites, particularly in areas identified as ‘childcare deserts’ is made a priority. Priority access to collocated services should be available to school staff.