

# Productivity Commission Early Childhood Education and Care Inquiry



Submission by KU Children's Services  
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## ACKNOWLEDGEMENT OF COUNTRY

KU respectfully acknowledges the Traditional Owners of the Countries of Aboriginal and Torres Strait Islander peoples and communities on which KU services and programs are delivered. The contribution by Aboriginal and Torres Strait Islander peoples to the education of young children existed long before our story began.

## KU STATEMENT OF COMMITMENT TO ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES

KU has an organisational responsibility to the revitalisation and advancement of the cultures, histories, and beliefs of Aboriginal and Torres Strait Islander peoples of Australia as determined by them. Guided by our values and ethical practices, we commit to creating locally led programs and opportunities shaped and determined by Aboriginal and Torres Strait Islander children and families, employees, communities, and organisations.

## KU STATEMENT OF COMMITMENT TO CHILD SAFETY AND WELLBEING

As a child safe organisation, we continue our longstanding and unwavering commitment to the safety and wellbeing of children, with zero tolerance of child abuse.

## ABOUT KU CHILDREN'S SERVICES

KU is one of the largest not for profit and for purpose providers of early education. Established in 1895 as the Kindergarten Union of NSW, was the first provider of early childhood education (ECE) in Australia and is the nation's most experienced provider.

KU has a long-demonstrated history of providing and supporting high-quality, inclusive early childhood education programs, and continues to lead the way with over 120 services and programs in NSW, Victoria, and the ACT, including preschool, kindergarten, long day care, family and early intervention programs and allied health services. In addition, KU is contracted by the Australian Government to provide support for eligible ECE services for the inclusion of children with additional needs. This includes the Inclusion Development Fund (IDF) and Inclusion Agencies in NSW/ACT and QLD and contracted in VIC.

KU's vision is to lead and inspire young children's learning for life. Our achievements in the NQS Quality Ratings to date, far exceed the national average, with all assessed services rated as Meeting or Exceeding the National Quality Standard. Such is KU's experience, expertise, and reputation, that we are often requested to provide specialist advice to other providers, peak bodies, the corporate sector, and all levels of Government.

## INTRODUCTION

KU Children's Services (KU) appreciates the opportunity to comment on the *Productivity Commission Inquiry into Early Childhood Education and Care* draft report. The degree of consultation and care taken to represent the diverse perspectives of the sector is commendable, and there are many areas of our acceptance and agreement. Please find our response to draft findings (DF), draft recommendations (DR), and information requests for your added consideration.

The benefits of quality early childhood education and care (ECEC) are largely undisputed and with strong evidence for the lifelong benefits for children, families and communities. High-quality, universally accessible ECEC is a sensible investment for children's learning and life-long success. The draft report acknowledges the integral part that ECEC plays in children's learning and wellbeing and recognises it as a powerful lever for social and economic reform.

We are pleased that children are foregrounded in the report, but greater emphasis could be given to placing children more centrally to the policy discourse. We have an unprecedented opportunity to reimagine ECEC systems and policies that are anchored in children’s rights and buoyed by a skilled and stable workforce. We hope that this becomes further evident as National Cabinet develops the *National Vision for Early Childhood Education and Care* and the *Early Years Strategy*, and a holistic response that recognises ECEC as a rights-based issue to be firmly woven into the fabric of policy reform.

Australia has seen ECEC grow from its earliest beginnings in the not for profit (NFP) sector to its currently expansive and disparate mixed market. We propose that it is time to recalibrate the pendulum that seems to have swung away from a focus on early childhood education as social investment to market oriented forces for economic development. We contend that balance needs restoring to revitalise the nation’s social and economic prosperity.

A broad range of recommendations have been provided that need prioritising and greater immediacy for critical reform. The ECEC workforce is crucial to the integrity and success of the entire system. Investment is needed to incentivise growth and an affordable universal model. Beyond all else, high quality service provision seeks to improve outcomes for children and close the systems gap for those who are most likely to experience disadvantage.

## RESPONSE TO RECOMMENDATIONS AND REQUEST FOR FURTHER INFORMATION

### Availability

- ▶ Availability is a barrier for families achieving their preferred level of access. Universal access in the past has been characterised and measured by participation in the year or two before school. Some jurisdictions have directly aligned initiatives to programs for three and four-year-old children, but a truly universal approach would encompass all ages from birth to school age. As defined in the draft report, universal access would see some form of ECEC available to all children regardless of where they live. Urban and rural provision is an economic and equity issue that requires Government to address affordability and availability gaps that have resulted in a ‘postcode lottery’.<sup>i</sup>
- ▶ An over-reliance on market mechanisms has led to ‘childcare deserts and oases’.<sup>ii</sup> In an already divergent ECEC sector, it is essential that every child, regardless of their situation, can access high-quality early childhood education. Government has a role in enabling provision of essential services in areas of unmet need including solutions for communities that are disadvantaged by their location or population size. KU supports supply-side funding that is adequate and sustainable for persistently thin markets (DR 5.1).

#### Information Request 9.1

##### Scope for Broader Funding Reform

International shifts towards more direct price controls and supply-side systems suggest that the effects of transitioning towards these approaches needs further examination. Critics of demand-side policies highlight funding volatility. We suggest an appropriate mix of demand driven and supply-side funding is needed for universal access that covers the costs of supporting equity outcomes in communities facing unmet demand and vulnerability.

Creating appropriate incentives and support to provide services in under-served areas and for vulnerable cohorts makes sense. The Government should consider maintaining and expanding supply-side support for Aboriginal Community Controlled Organisations that provide ECEC and additional support services for Aboriginal and Torres Strait Islander children and families.

- ▶ We support a mixed market approach but are concerned that the NFP sector is shrinking.

- ▶ The Australian Competition and Consumer Commission (ACCC) Childcare Inquiry<sup>iii</sup> confirms that NFP providers are more likely to pay higher wages, be affordable, have higher quality, invest in inclusion, and provide services in regional and remote or disadvantaged communities due to their social equity purpose, and aligned with government priorities. Investment in long term growth and viability of the NFP sector is desirable and should be an explicit objective to deliver universal access.

## Information Request 5.1

### Low rates of expansion among not-for-profit providers

NFP providers typically reinvest more of their surplus into higher wages, professional learning, social equity, and inclusion programs, consistent with their purpose and charitable objectives. Without ready access to capital NFP may pursue growth less aggressively than for profit (FP) providers. NFP providers would benefit by grants or low interest loans for growth to meet the expectations of contemporary educational facilities and workplaces. Application to a dedicated funding stream could be assessed on quality, inclusion, and access priorities. Even then, land costs remain a barrier, so State, Territory and local governments could provide or redevelop underutilised land with low cost rents and long term leases no less than 10 years as a relief for the NFP sector.

To expand and deliver on objectives of equity and affordability, collaborative partnerships could be established between government and demonstrated quality providers in publicly owned facilities. Contractual periods would need to provide security so that shifting government policies don't place providers at viability risk.

- ▶ A mixed market should continue in adequately served communities with accountability and transparency to deliver on Government objectives. A set of clearly articulated principles for market design could further assist reform efforts. The NFP sector has valuable experience in strategic planning and partnership approaches to help deliver equitable and sustainable outcomes. Opportunities should be explored for high quality providers being delivery partners in areas of unmet supply, with capital and financial support in financially unviable areas.
- ▶ In some jurisdictions, local and state governments play a pivotal role in expansion of children's services. For example, in Victoria, some local governments and the Department of Education are investing in new buildings for kindergartens. The operation of these services is available to NFP providers via a rigorous tender process for reasonable rents and long-term tenures. This arrangement provides stability for the community and allows NFP providers to grow, invest in improvements to the service over a period, as well as provide high quality and stable service delivery to children and families.
- ▶ In NSW, there is an increasing number of Local Governments offering shorter lease renewals, increasing rents that are close to commercial rents, and in some cases, indicating they may tender out the buildings when the lease is expiring, even though the current NFP provider has been operating and serving their community for decades. NSW is also seeing the Department of Education expanding government operated preschools on school sites. This has the potential to harm the existing NFP community based preschool services operating in the same locations.
- ▶ While the ACCC childcare inquiry found no evidence of excessive profiteering<sup>iv</sup>, there needs to be more examination of the commodification of childhood, and government subsidies diverted to shareholders of ASX-listed companies. All providers need to achieve a surplus to stay solvent, but NFP providers are known for their reinvestment into quality and remuneration of their workforce. The children, families and staff are our 'shareholders'.

## Information Request 5.2

### Planning Processes and Availability Of ECE

Greater cohesion in service planning and approval, including between local government, regulatory authorities, and environmental planning can support supply. There is currently little coordination and communication between local and state government bodies regarding the planning and development of ECEC services. This approach has resulted in an oversupply of services in some areas and an under supply, or no supply, in other areas. The effects of this approach have been highlighted, with some areas in Australia being described as ‘childcare deserts’ due to the lack of ECEC services in these areas. The scarcity of ECEC is more pronounced in regional and remote locations. While around 30 % of people in major cities live in childcare deserts, this percentage increases to approximately 43 % in inner regional areas and 63 % in outer regional areas. In remote and outer remote areas, the figures soar to 87 % and 80 %, respectively.

As the development expectations and approvals process sits with local government, inconsistencies in this approach are evident as requirements and processes are individual to each local government area (LGA). In some LGAs, ECEC development plans are being assessed by people without knowledge of ECEC or the National Law and Regulations.

- ▶ Unregulated growth can also place viability stress in areas of oversupply. Better planning and coordination are needed so that communities are not disadvantaged by their location or population size. Flexible service models provide choice for families, and some may operate in non-standard hours. KU supports a review of planning processes, including restrictions that relate to service operating hours (DR 7.4), and supports a higher CCS hourly rate cap for non-standard hours (DR 7.3).

## Information Request 7.3

### Barriers and Potential Solutions to Providing More Flexible Sessions of ECEC

Flexible solutions need to be place-based and responsive to community needs. CCS needs to be expansive to cover a full operating day (not limited to hours accessed by a family on a given day) so that families have the flexibility to attend longer hours if needed.

Consistency of educators and not having an over-casualised workforce supports continuity for children and families. The workforce needs predictability of employment which flexible care arrangements are less likely to provide. While there is demand for occasional care services, these face operational challenges with irregular attendances.

- ▶ KU supports occasional care being available where needed (DR 7.5) with supply-side funding essential for the viability of this service type.
- ▶ KU supports the recommendation to allow preschool services to claim CCS for additional non preschool hours by providing a separate ‘wrap around preschool’ service. (DR 7.6) KU notes there may be difficulties in the current climate in recruiting staff for these ‘wrap around preschool’ service.
- ▶ KU advocates for outside school hours care (OSHC) services being available where needed (DR 9.1). ACECQA provides practical guidance to support the objectives and principles of the National Law and Regulations. Assessment and Rating processes consider contextual differences, but there are unique aspects of OSHC that require separate consideration, including the play and leisure-based program, needs of school-aged children, educator experience and qualifications, and short and sometimes irregular attendances that can present additional challenges to program planning and provision.

## Information Request 2.1

### Suitability of the National Quality Framework for Outside School Hours Care

KU supports further examination of qualification and staffing requirements of the NQF for OSHC. Further guidance would benefit services and assessing officers on how NQF requirements apply in an OSHC setting.

## Affordability

- ▶ KU believes that all children should have an ECEC entitlement and accepts that children who would benefit most from ECEC are less likely to attend (DF 2.2). Australia's spending on ECEC has increased, resulting in increased participation. However, the Child Care Subsidy (CCS) hourly rate needs to keep up with underlying cost pressures for families and providers that ultimately impact fees for families.

## Information Request 6.5

### Potential Measures to Reduce CCS Administrative Complexity

KU strongly supports removal of the activity test which can discourage participation of children experiencing vulnerability and disadvantage. KU also supports reduction of CCS administrative complexity and extending the initial length of eligibility for ACCS (Child Wellbeing) and for children on long-term protection orders, in formal foster care or kinship arrangements. KU supports extending ACCS (Grandparent) to recognise informal kinship care arrangements.

KU supports maintaining a fee-based benchmark approach for setting the CCS hourly rate cap, but this must reflect indexation and increasing costs to sustain affordability for families and service viability. The hourly rate cap should not become an impediment to affordability and quality service provision where wages and quality are constrained. The fee benchmark needs to be above the national average in recognition of non-standardised costs of service provision.

CCS balancing and the withholding percentage can be confusing for families. First and last day attendances can be administratively and operationally onerous and we suggest consideration be given to incorporating these into allowed absence days.

CCS approvals through a single portal has not achieved the proposed efficiencies for existing providers and further streamlining of approvals and portal enhancement are needed. CCS approval delays can create a business and financial risk for providers. Deciding not to operate is a barrier to access for families and if providers charge the full fee, affordability can be an obstacle for families.

Applying and complying with CCS requirements can be challenging for volunteer management committees that are re-elected each year and needing to provide documentation of all committee members as persons with management or control (PMC). Rejecting CCS applications with missing information and requiring new applications seems administratively taxing for the sector.

- ▶ No child should be excluded from essential support services. Refugee and humanitarian entrants and non-permanent residents are ineligible for certain health services and CCS. Migrant and refugee populations are increasing and may need additional help to understand service systems. Programs such as the Adult Migrant English Program (AMEP) and supported and community playgroups offer valuable community engagement and safe pathways to referral.

## Information Request 6.4

### Potential Expansions: CCS to Families With Restricted Residency; Assistance for Isolated Children Distance Education Allowance to Preschoolers in Isolated Areas

KU supports all children having access to quality early childhood education, including children from families with restricted residency or facing barriers such as geographic isolation. This means providing ECEC choices regardless of nationality or where they live and supporting inclusion of children from potentially marginalised communities. A recent report from The Parenthood found that market and current funding models do not solve the problem of equitable access in regional, rural, and remote areas and that many families are left 'choiceless'.

KU would like to see expansion of the eligibility for AIC Distance Education Allowance to support children in geographically isolated areas. As the current barrier to receiving this funding is that they are not 'an approved course and not compulsory schooling', further consideration can be made regarding the importance of the birth to five years age group and uniqueness of early childhood education in providing play-based learning which supports the individual development of each child and their transition to school.

- ▶ The federated model of ECEC has created inequity and sometimes duplicitous or competing policies. We need to strengthen quality, inclusive, and equitable provision of early childhood education and care, where all children can receive a high-quality early childhood education, regardless of where they live or what service type they attend. KU strongly supports giving all children an entitlement of up to 3 days a week of subsidised care without an activity requirement and lifting subsidies for families on lower incomes (DR 6.2). Similar access entitlement and fee relief consideration is needed for children attending non-CCS services, and additional hours for children from identified cohorts to prevent educational vulnerability.
- ▶ The current system is intricate, and variation across jurisdictions and between service types can be confusing for families. There is inconsistency and regularly changing programs and guidelines. Information is vital for families to understand their entitlements and navigate the CCS system (DR 6.3 – 6.6) but more explanation of a complex system won't necessarily help families traverse the maze of services and subsidies more easily. KU supports simplification of the CCS system and further subsidy increases, especially for families experiencing disadvantage. Reducing system complexity can help families navigate pathways more confidently and efficiently.<sup>v</sup>

## Information Request 7.2

### 'System Navigator' Roles in the ECEC Sector

Greater transparency through Starting Blocks may help families compare fees and quality ratings, using data reported through the Child Care Management System and added provision for non-CCS eligible services e.g. NQAITS.

Linkage programs to connect families to services and support programs may assist but additional support would be needed to perform this role. This connector role would require a broad awareness of the complex service and funding system and broader supports for children experiencing disadvantage and vulnerability. Some providers have established successful family and community engagement and referral pathways that could be replicated more widely among providers or service agencies supported by funding.



## Workforce Stability

- ▶ The Job Skills Australia *Labour Market Update*<sup>vi</sup> confirms that there is a serious teacher shortage. Staffing waivers have risen to worryingly high levels across the country and, while there was a fall in the December 2023 quarter<sup>vii</sup>, we need to continue this trajectory and reject the appeal by some to undercut ratios or qualifications, which are the bedrock of quality. Pay and conditions help attract and retain teachers and educators in the sector, which means less turnover and greater continuity for children. Implementing an unfunded wage rise for educators and teachers inevitably means an increase in fees that would intensify the cost-of-living pressure on families.
- ▶ Experienced and qualified educators are leaving without enough graduates coming through to replace them. We need a vibrant workforce pipeline and urgent retention strategy. The sector cannot respond to growing demand or expanded service responses without workforce stability and support. Current Fair Work processes aim to address pay and conditions (DF 3.1) but need to go further to include non-CCS services by substantially increasing the modern award for all educators. KU successfully negotiates enterprise-level agreements that achieve wages and conditions above the award and other provider agreements. Teachers and educators must receive better pay and conditions that reflect their skills and responsibilities, but many NFP providers cannot pay teachers equally to their peers working in schools without a funding commitment from Government. The workforce has been identified as the highest cost driver for the NFP sector and a critical input for quality. We need tangible actions to rebuild the workforce and mechanisms that address the dynamic of wages on service fees. Lower fees for families have long been shouldered by the low wages of educators.
- ▶ The sector needs to attract and retain a skilled workforce. KU agrees that an improved workforce strategy is needed (DR 3.7) with actionable strategies that address the immediacy of workforce shortages and skills and knowledge gaps, and that these are closely monitored for impact. Some jurisdictions are offering individual and location incentives, and relocation supports. While incentivised recruitment is novel, the sector needs persistent strategies that attract and retain teachers and educators that are professionally valued and remunerated. KU supports improved registration arrangements for teachers (DR 3.3) to increase national mobility and workforce reliability. The professional development component should be funded by government and draw on available data e.g. AEDC, NQS and preschool outcomes measure to prioritise areas for sector capability building.
- ▶ Well trained, skilled, and knowledgeable educators lift educational outcomes for children. KU supports strategies for upskilling the workforce (DR 3.1) and innovative delivery of teaching qualifications (DR 3.2). Scholarships and other initiatives increase course uptake but there are still hurdles being encountered with the intense study demands of accelerated courses and high non-completion rates. Expectations of part-time study on an already fatigued workforce can be unrealistic. Facilitating early exit pathways, for example from bachelor degree courses, at diploma and associate degree levels, could recognise the achievements of students who decide to withdraw before completing the entire course. Course content and structure would need to be reviewed as percentage completion does not currently satisfy the skills and knowledge equivalent. Initiatives, including accelerated workforce programs, must not diminish teaching quality.
- ▶ A capable and well-resourced workforce must be supported with ongoing professional learning that strengthens high-quality teaching and educational leadership. This can be supported through workplace learning, coaching, mentoring and targeted professional learning (DR 3.4) but the sector is not fully resourced and, in some cases, under-experienced to offer the required guidance. A comparison of 2013 and 2021 *Early Childhood Education and Care National Workforce Census*<sup>viii</sup> shows a decline in years of experience and job tenure. Ongoing professional learning requires an investment of time and money and needs a national focus. Professional and pedagogical maturity comes with opportunities to critically reflect, often in a collaborative environment with colleagues. Investing in professional learning yields results but comes with added expense for providers which

inevitably impacts fees for families. A national program to support professional development (DR 3.6) needs to be well designed and with proper accountabilities.

- ▶ The pandemic exacerbated shortages in Australia, but there is a growing global teacher shortage<sup>ix</sup>. A national awareness program could help attract teachers and educators to the ECEC profession and foster professional identity. The nationwide shortage of teachers in ECEC needs to be given the same attention as that in schools. The tertiary education sector put forward proposals for longer placements and a 'degree apprenticeship system' for student teachers, for more training on the job and postgraduate programs that combine study and paid employment<sup>x</sup>. The Australian Universities Accord<sup>xi</sup> has recommended targets for lasting reform and increased availability of free-free preparation courses. The practicalities of a 'jobs broker' to help university students find part-time work and work experience, financial support for compulsory work placement and income support for students sounds promising but they are ambitious and long term.
- ▶ Tertiary institutions have moved to offer birth-12 years teaching degrees to meet the workforce demands of schools and the ECEC sector is competing with schools to attract teachers. Moving away from specialised early childhood courses also means that teachers may have limited proficiency in the distinct pedagogical approaches required for this stage of learning. We advocate for specialist early childhood teachers (birth-5 years) and new graduates who are prepared to meet the demands of working with children and families, especially those with diverse and complex needs.
- ▶ Preparation and ongoing development of the workforce is essential to quality. Pathways from vocational to higher education are essential to enable educators to build on previous study and undertake lifelong learning.

### Information Request 3.1

#### ECEC Related Vocational Education and Training

Advancing student success in the vocational education and training (VET) sector is critical to deliver a higher skilled workforce. As noted in the draft report, 69% of the ECEC workforce hold vocational qualifications, yet little focus has been given to improve the VET sector.

Funding for the VET sector continues to be an issue. The expansion of for-profit VET providers has prompted a commercial approach resulting in some poor-quality courses, increased course fees, reduced course times, and inadequately trained graduates. Current funding measures success by the total number of students graduating, and some VET providers are not rigorously assessing their students in a bid to ensure course completion and adequately trained graduates who then go on to become ill-equipped employees.

Typically, not-for-profit VET providers are committed to providing quality learning experiences and support for their students, and it is imperative that these providers are appropriately funded to employ highly qualified and experienced teachers for the delivery of a high-quality education.

The recognition of previous skills and experience proves challenging for educators wishing to upgrade their VET qualification. The recognition of prior learning (RPL) process for those students entering the VET system with previous experience and knowledge, should be more streamlined and simplified. An RPL process can still be rigorous without being arduous. Feedback from our employees indicates that the current RPL process is a barrier, and it is easier to complete the subject instead of seeking RPL through the current processes. Educators holding a Certificate III predating 2013 do not receive acknowledgment of their qualification and years of experience when completing the Diploma. In NSW, educators are now required to complete a Certificate III RPL initiative that is time consuming and causing educators to question if it is the right pathway for them. Student mobility between providers and courses could be better facilitated.

- ▶ Traineeships are important career pathway option and are extremely valuable experience to both the trainee and the employer.

## Information Request 3.2

### Effectiveness of Traineeship Arrangements

The change to traineeship funding that now includes progress incentive payments directly payable to the trainee is a welcome improvement to the funding model, however unfortunately this has resulted in a reduction of funding for the employer. Current employer incentives for ECEC traineeships do not support employers being able to offer any more than the basic government prescribed traineeship conditions. Employer incentives need to be increased to provide additional mandated conditions for trainees, so they are fully supported to successfully complete their traineeship. Additional funding could allow for improved conditions such as the trainee being supernumerary for at least an initial period to become familiar with the setting and allowing trainees access to regular mentoring sessions with their employer outside of the trainees prescribed study time. Improved funding and support conditions for trainees would help to escalate the profile of traineeships and a move away from traineeships being considered by some ECEC providers as a cheap employment alternative.

VET for Secondary Schools (VETSS) offers a valuable pathway for secondary students to embark on a career in the sector. School-based apprenticeships and traineeships (SBAT) offer career and study pathways but there are challenges associated with qualification, ratios, supervision and Working with Children Check requirements. More regular and supportive VET assessor visits for trainees can build stronger relationships and support apprentice placements. Incentives do not cover the cost of the trainee or apprentice wages. The financial burden on the employer could be funded to further incentivise employer participation rates. A review of funding to VET providers and Universities might also help to revitalise the crucial preparation that these educational institutions provide in preparing the workforce for the vital role of educating young children.

- ▶ Foundational training can help grow the pool of educators. Internships, paraprofessional and early career programs that provide learning experiences, project development, mentoring and peer support should be explored. Micro-credentials that have academic recognition can be stacked into higher-level certification and strengthen specialised pedagogies and practice areas such as birth to three or inclusion. Developing postgraduate courses in ECEC leadership could provide career development and mentorship competencies.
- ▶ Quality professional experience placements, delivered in professionally connected ways, are crucial to a positive entry into the teaching profession. Supports are needed for student educators (DF 3.3) and there are promising initiatives like the *Victorian Early Childhood Tertiary Partnership* program that offers additional support to people who are new or returning to the workforce, from a culturally and linguistically diverse background, or interested in a career change. Where shown to be successful, added study, language and wellbeing supports might be extended through tertiary partnerships nationally.
- ▶ We champion improved support and pathways for Aboriginal and Torres Strait Islander educators to obtain qualifications (DR 3.5). We value culturally and linguistically diverse educators and recognise that pathways for learning and qualification equivalency are particularly important. A national focus with community education on the importance of diversity and inclusion in the workforce is needed.

## Equity and Inclusion

- ▶ Services of high quality are contextually responsive. Beyond known barriers of affordability, availability, and accessibility, aspects of engagement need to be considered to support policy and service responses. Affordability is only part of the universal access equation. Responsive and quality service provision is the other. 'Approachability' and 'acceptability' are aspects of engagement compatible with family values, culture, and communication.<sup>xii</sup>
- ▶ Circumstances of a child's cultural background, languages spoken, family health and income, and risk factors such as trauma and stress, can unfairly prevent them from reaching educational and social outcomes later in life. Children in the most disadvantaged socio-economic areas are more likely to be developmentally vulnerable when they start school and may struggle to catch up. A well supported ECEC sector would enable outreach and wrap-around supports that build on strong partnerships with families, in culturally responsive environments and the unique identities and cultural knowledges of local communities. Research shows that attendance among children experiencing disadvantage improve when educators have better tools to support families and with access to flexible funding to address specific barriers to access.<sup>xiii</sup> These models could be explored more systematically.
- ▶ The NFP sector has made a significant contribution to social inclusion, especially for children experiencing vulnerability and disadvantage. It is an expectation of the NQF that all services demonstrate inclusion of children with additional support needs, including children with disabilities and children from culturally and diverse backgrounds, and that Aboriginal and Torres Strait Islander children are supported in culturally safe ways. This is happening variously among providers with dissimilar amounts of investment provided for available supports. The recent review of the National Disability Insurance Scheme provides an opportunity for jurisdictions to consider recommendations to strengthen supports for children with additional needs. KU supports broadening of the Disability Standards for Education (DR 2.2) to be inclusive of all services within the National Quality Framework (NQF) and with adequate supports for individual children.
- ▶ KU has a strong commitment to the inclusion of children with diverse and complex needs and we strongly advocate for improved access and support for children. There has been an increase in the number of children enrolled with additional needs and challenging behaviours, requiring added supports for their effective inclusion. Other providers may not have the resources or experience to offer the same level of support. KU compels Governments to allocate greater funding amounts to inclusion support programs to enable the inclusion of all children and adequately fund more highly qualified educators to be engaged in support roles. A relevant micro-credential for those employed in inclusion support roles could also be considered. The application process needs to be streamlined, and significant improvement made to the portal. KU supports review of inclusion funding programs for eligibility (DR 2.3) and the urgent increase of additional educator subsidies (DR2.4).

## Information Request 2.3

### Functioning of the Inclusion Support Program in Family Day Care

KU would support a change in the ISP guidelines to include professional development across the ISP. The provision of free professional development for family day care (FDC) providers specifically targeting information to support children with additional needs will benefit all children in their care.

KU would welcome the schedule enhancement to the ISP Portal. There is currently specific information for FDC providers to assist in the development of their Strategic Inclusion Plan (SIP) for both FDC schemes and individual providers, however any enhancement to the portal that results in an increase in the number of providers with an active SIP in place will support more active engagement with the ISP.

Ongoing active engagement of FDC schemes and individual providers such as attendance at FDC conferences, writing articles for FDC providers in newsletters and presentation of the ISP should continue.

- ▶ High-quality learning experiences can act as a protective factor by offering pathways to intervention and support services that reduce a child's chances of adverse development and later problems. ECEC needs to be adequately resourced and supported to receive children with diverse health and learning needs. For children with a developmental delay or disability, additional planning and support is necessary. Integrated service provision can be achieved through strong partnership and referral pathways. This model needs additional investment to release staff to engage in connected ways of working. Funding integrated service models, allied health and wrap around supports for children and families can further support participation and reduce service fragmentation. KU supports integrated services being available where needed (DR 7.1) but this requires place-based and flexible approaches, responsive to local needs, and a robust workforce.

## Information Request 7.1

### The CCCF as a Vehicle to Address Practical Barriers to ECEC Access

The CCCF has time limited rounds that restrict applications. It is for CCS services only, so preschool services are not eligible under the fund. This needs to be replaced with a larger and more sustainable program, and with broader target areas. KU supports examination of the fund's adequacy, flexibility, and frequency. An open pool that is available to all services that address policy objectives and supports a place-based approach is more likely to support communities facing disadvantage.

- ▶ A partnership approach needs to be established to co-design with local communities and providers to determine current and future needs. Coordination and funding are critical to support connections (DR 7.2) and deliver appropriate services, especially in rural and remote areas. Playgroups provide valuable support to families and can be soft entry points for families experiencing vulnerability but are outside of the formal ECEC system and should be considered as supplementary when assessing ECEC availability (DF 7.2).
- ▶ Educators need additional skills and knowledge to provide inclusive, culturally safe, and responsive services for children and families. We value culturally and linguistically diverse educators and recognise that pathways for learning and qualification equivalency are particularly important. Organisational culture, policies, and professional learning that promote diversity and inclusion can advance inclusive employment and support strategies.
- ▶ Aboriginal and Torres Strait Islander children continue to face structural barriers preventing them from accessing services and as a result are twice as likely to be educationally vulnerable when they

commence school.<sup>xiv</sup> The role of kinship and community is recognised as an important protective factor. Aboriginal and Torres Strait Islander people must be integral to the design and delivery of all policies and programs that affect them. We support the increased recruitment and retention of Aboriginal and Torres Strait Islander educators, and value their cultural knowledges, community connections and skills, and long-term commitment to their community.<sup>xv</sup>

## Information Request 2.2

### Cultural Safety in ECEC Services

We endorse recommendations from SNAICC and Early Childhood Australia for improved outcomes through Aboriginal Community Controlled Organisations and recommend taking guidance from SNAICC on strategies to promote the employment and support of the Aboriginal and Torres Strait Islander working in the sector. Employment strategies can include traineeship and study support, cultural leave and identified cultural positions. KU recommends funding programs that support policy priorities for inclusion and improving educator pay and conditions by government funded wage subsidies.

As a Child Safe Organisation, KU actively implements principles of the Keeping Our Kids Safe: Cultural Safety and The National Principles for Child Safe Organisations and recognise that all 10 national principles highlight the importance of cultural safety in ECEC for Aboriginal and Torres Strait Islander children. We support inclusion of the Child Safe Cultural Safety and National Principles in the development of a framework to promote and strengthen cultural safety in ECEC.

Findings of the Aboriginal Cultural Safety Framework for Early Childhood Education Phase 1 Final Report, will guide a Cultural Safety Framework and give ECEC providers a baseline from which they can build their understanding of culturally safe practices and deliver culturally safe and responsive services and programs.

## Quality Early Childhood Education

- ▶ Improving the policy architecture for universally accessible ECEC requires a stronger focus on quality. There is a strong body of evidence that shows positive outcomes are met by participation in quality ECEC and that poor quality can have detrimental effects on children. ECEC in Australia has demonstrated sustained quality improvement since introduction of the National Quality Framework (NQF). Qualifications, educator to child ratios, and group size have been linked to program quality and we support the high standards of the NQF. The National Law and Regulations are central to the safety, health, and wellbeing of children. KU supports regulatory authorities' performance reporting (DR 8.1) and a review of how services are assessed against the NQF (DR 8.2).
- ▶ A review of the recently introduced partial assessment in NSW should be evaluated for impact to services' overall rating and national comparison. This could however provide a mechanism for supporting quality in 'provisional – not yet assessed' services. We recommend a review of the assessment and rating process, including the impact of Exceeding and Excellent ratings on quality uplift. The process of assessment and rating might benefit by being brought into a national system.

## Information Request 8.1

### Provision of Service Ratings Information for Families

The highly nuanced quality rating system remains unclear for many families. While ratings information is made available, we recognise that families may use a more informal approach when selecting a service and may not be motivated by a service's quality rating. Surveys of families in KU services shows that availability, location, and cost are invariably the strongest determinants when selecting a service. Greater awareness and appreciation of the service's quality rating after enrolment and with engagement in the quality improvement process indicates there is an opportunity to highlight the importance of service quality when families are selecting a service.

- ▶ We support regulatory authorities being adequately resourced (DR 8.3) and suggest that responsibilities and resource allocation be reviewed so that more attention can be placed on compliance support and timely assessment of services not assessed or not yet meeting the National Quality Standard (NQS).

## Information Request 8.3

### Support for Services to Meet NQS

The percentage of services meeting or exceeding the National Quality Standard (NQS) continues to increase. However, there remains 10 % of assessed services that are still working towards the NQS, with some jurisdictions being as high as 19 %.

The Quality Support Program offered in NSW is reportedly well received by services to support them in meeting the NQS. We strongly recommend that authorised officers have early childhood qualifications and ongoing professional learning to maintain understandings of contemporary pedagogy and practice.

- ▶ ECEC is an integral part of the education continuum, laying essential groundwork for building learning dispositions and establishing foundations for children to succeed in school and throughout their lives. Transition to school statements can be a valuable component of supporting children's transition to school. However, there remains a concern that these are not being effectively used by schools, and reports of technical difficulties when using portals for digital completion.

## Information Request 2.4

### Transition to School Statements

Transition to school strategies need to go beyond a developmental summary that unpredictably results in continuity of learning for children. There needs to be a consistent transition process that promotes professional collaboration between prior to school and school settings and includes children and families in the process. An investment of time is needed for teachers and educators to discuss the statements with families and schools.

Synergies and learnings from the family environment and prior to school settings need to be valued and respected as foundations of children's learning and used as a pathway to successful orientation to the school setting. Differences between jurisdictions in how this is named, funded, and completed add to challenges in consistency of approach. IT systems need to promote success in the completion of these statements instead of adding administrative burden.

## System Stewardship

- ▶ Lack of connection between differing national policy and jurisdictional strategy can fail to deliver a cohesive system. One view of stewardship is for government to remove barriers for multiple systems to work together and co-design models to deliver better outcomes.<sup>xvi</sup> This stewardship approach embraces complexity and values partnerships to find new opportunities. An effective model of system stewardship would be characterised by complementary funding, regulation, and policy for all services in scope of the National Quality Framework. KU supports in principle the recommendation of a National Partnership Agreement (NPA) that clarifies roles and expectations between levels of government (DR 9.1) and propose that it be protected in national legislation from changing political agendas, and with accountability mechanisms to meet objectives. The Australian Government would remain responsible for ECEC policies in the years before school and for associated funding responsibilities including CCS. State and Territory Governments would continue to contribute funding to support preschool and kindergarten. NPAs have concentrated on the year or two before school with little focus on the earlier years and this should be expanded. Expenditure targeted to participation of those with additional support needs is required (DF 9.1) with a more coordinated approach between governments to address gaps (DF 9.2).
- ▶ The NPA would need coordination mechanisms for universal access to be achieved but we agree that a one-size fits all approach is not an effective model. There needs to be dynamic tension within the system that achieves sufficient flexibility and responsiveness while achieving national harmony. Better data collection and linking can support an expanded measurement framework underpinned by research evidence.
- ▶ International comparative studies highlight similar reform agendas globally. *Transforming Early Childhood Education and Care: Sharing International Learning*<sup>xvii</sup> proposes that "there is no one model of perfect ECEC provision" and that the best models are grounded in their own contexts. More research is needed to examine hypothesis of universal and inclusive provision. A clearly articulated research agenda would further inform and identify what works well. The Australian Education Research Organisation or a research consortium could commence the process of developing a research agenda (DF 1.2).

### Information Request 9.2

#### An ECEC Commission

KU supports an independent ECEC Commission overseeing the NPA (DR 9.2). The main function of the ECEC Commission would be better coordination of ECEC policies and providing advice to governments on priorities and progress towards universal access. A stewardship approach would align with principles of the National Vision for ECEC and optimise funding, regulation, and policy levers. The ECEC Commission would confirm commitments to the United Nations' Conventions on the Rights of the Child and measure targets for improving the accessibility, affordability, quality, and inclusivity of settings. This would include monitoring initiatives that contribute to the Early Years Strategy and National Children's Education and Care Workforce Strategy.

An ECEC Commission would monitor an intergovernmental agreement that underpins delivery of a unified ECEC system, with monitoring and evaluation of the national vision and strategy, multilevel agreements, frameworks, and strategies. The ECEC Commission would have a central role in national coordination, making policy, funding and regulatory recommendations, and monitoring reform initiatives relating to quality, workforce, funding, planning. It would have independent oversight and hold governments and the sector accountable to universal access in areas of accessibility, affordability, equity and quality.



## IN SUMMARY

Universal access will require further expansion of services and an increase in the availability of an appropriately skilled and supported workforce. We agree that governments should improve system stewardship so that ECEC is inclusive, flexible, and well-coordinated, and reiterate our call to the Australian Government for unified efforts to safeguard quality. Government will need to use levers of regulation, financing, and planning to directly influence the market in ways that align with objectives of access (supply), affordability, quality, and equity (inclusion). The impacts of high-quality early childhood education are lifelong, and we need coordinated efforts to create better outcomes.

- ▶ Growth opportunities are needed
- ▶ Workforce stability is a priority
- ▶ Equity and Inclusion is essential
- ▶ Quality is paramount

Thank you for the opportunity to make comment. We welcome further discussion on subjects raised in this submission.

If you require more information, please contact Christine Legg, CEO

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<sup>i</sup> Matheson, A., (2023). [Ending the 'postcode lottery' in health is more than a technical fix – it means fundamentally reorganizing our systems](#)

<sup>ii</sup> Hurley, P., Matthews, H., and Pennicuik, S. (2022). [Deserts and oases: How accessible is childcare? Mitchell Institute, Victoria University](#)

<sup>iii</sup> Australian Competition and Consumer Commission (2023). [Childcare inquiry: Final report](#)

<sup>iv</sup> Australian Competition and Consumer Commission (2023). [Childcare inquiry: Final report](#)

<sup>v</sup> The Front Project (2022). [The case for system stewardship in Australia's early childhood education and care system](#)

<sup>vi</sup> Jobs and Skills Australia (2023). [Labour market update](#)

<sup>vii</sup> Australian Children's Education and Care Quality Authority (2023). [NOF Snapshot – Waivers](#)

<sup>viii</sup> Social Research Centre (2022). [2021 Early Childhood Education and Care National Workforce Census report](#)

<sup>ix</sup> United Nations Educational, Scientific and Cultural Organization (2023). [Global report on teachers: Addressing teacher shortages](#)

<sup>x</sup> <https://www.theguardian.com/australia-news/2023/sep/23/australia-teacher-shortage-education-degrees>

<sup>xi</sup> Australian Government (2024). [Australian Universities Accord: Final Report](#)

<sup>xii</sup> Skattebol, J., Blaxland, M., and Adamson, E. (2021). [The five aspects of effective engagement in early childhood education: Approachability, acceptability, availability, affordability, appropriateness](#)

<sup>xiii</sup> Harrison, L. J., Wong, S., Degotardi, S., Waniganayake, M., Hadley, F., Davis, B., et.al. (2023). [Supporting Participation in Early Childhood Education \(SPIECE\) of children from low socio-economic status backgrounds – a 2018-2022 research project](#)

<sup>xiv</sup> SNAICC (2020). [Policy and Research: Early Childhood](#)

<sup>xv</sup> SNAICC (2023). [Support for Aboriginal and Torres Strait Islander workforce welcome](#)

<sup>xvi</sup> ANZSOG (2021). [Reimagining governments as system stewards to deliver better outcomes](#)

<sup>xvii</sup> The Fawcett Society (2023). [Transforming Early Childhood Education and Care: Sharing International Learning, Part 1](#)