



Lisa Gropp, Martin Stokie, Deborah Brennan
Early Childhood Education and Care
Productivity Commission
Locked Bag 2, Collins St East
Melbourne VIC 8003

20 April 2023

Dear Commissioners,

RE: Submission on the inquiry into Early Childhood Education and Care

Thank you for the opportunity to provide a submission as part of the public consultation on the Productivity Commission inquiry into Early Childhood Education and Care. In line with the Australian Children's Education and Care Quality Authority's (ACECQA's) remit, this submission focuses on the aspects of the terms of reference related to high quality practice in education and care settings, including workforce considerations.

About the National Quality Framework (NQF)

The NQF is the internationally recognised national system for regulating children's education and care services. Based on empirical evidence of the components of quality practice, the NQF includes setting, assessing and rating performance against standards for safety and quality, with the objective of driving high quality early education and care for all children who attend long day care, preschool/kindergarten, outside school hours care and family day care across Australia. There are more than 17,000 services approved under the NQF to provide children's education and care across Australia.

The NQF replaced nine regulatory systems and is jointly governed by the Australian Government and all state and territory governments, supported by ACECQA.

The NQF encompasses the Education and Care Services National Law¹ (National Law) and the Education and Care Services National Regulations (National Regulations), which include the National Quality Standard (NQS). There are two curricula (national learning frameworks)² approved under the NQF:

- *Belonging, Being and Becoming: The Early Years Learning Framework for Australia* (EYLF), the national approved learning framework for children from birth to five years of age, and

¹ The National Quality Framework (NQF) operates under an applied law system, comprising the Education and Care Services National Law and the Education and Care Services National Regulations, except Western Australia which has a corresponding law. The National Law is not a Commonwealth law.

² There is an approved learning framework specific to Victoria, *Victorian Early Years Learning and Development Framework*.

- *My Time, Our Place: Framework for School Age Care in Australia*, the national approved learning framework for school age children.

A review process to refresh the frameworks took place in 2022 and version 2.0 of each framework was released in early 2023.

Regular reviews of the NQF ensure the regulatory system remains current, achieves its objectives, and supports Australia's approved providers and services to provide high quality education and care while minimising regulatory and administrative burden. To date, the NQF has undergone two reviews, one in 2014 and one in 2019. The 2019 NQF Review recommended changes to the National Law and National Regulations, as well as producing and making available additional guidance for the sector to enhance children's health, safety and wellbeing. The majority of changes recommended from the 2019 NQF Review will commence from mid-2023.

The role of ACECQA

ACECQA is the independent national authority established under the National Law³ to perform a range of functions, including assessing and approving individual and organisation qualifications; maintaining national registers of approved providers and services; reporting to Education Ministers on the implementation of the NQF; training and testing Authorised Officers to undertake assessment and rating; and publishing guides and resources to support regulatory authority authorised officers and the sector to understand the quality framework and achieve its objectives.

ACECQA manages and hosts the National Quality Agenda IT System (NQA ITS), which contains national data on education and care services and providers. The NQA ITS enables ACECQA to audit, report on and provide insight into trends and emerging issues in the sector, and to provide families with information to be able to choose services that are best for their children and circumstances.

ACECQA manages external, independent reviews of quality ratings (second tier reviews) and makes determinations regarding the highest quality rating level (the Excellent rating) for education and care services. ACECQA's independence and national position allows these important functions to be discharged efficiently and impartially, ensuring confidence in the integrity of these decisions.

ACECQA guides the implementation and administration of the NQF and monitors and promotes consistency in its application across Australia. Being an independent statutory authority working closely with nine regulators and the sector, ACECQA considers matters at a 'system level', to manage national projects and communication, to engage with stakeholders nationally and make recommendations for improvement to benefit all children and reduce complexity for providers.

Quality education and care provides children in Australia with the best start in life

Children's early education and care is an integral part of the Australian education system and sets the foundations for lifelong learning and skill development. The benefits of quality early education and care are broad. Contemporary research demonstrates that high quality early childhood

³ Section 225 of the [Education and Care Services National Law](#)

education and care leads to better health, employment and educational outcomes, providing significant return-on-investment for governments⁴⁵.

Research also demonstrates that children from disadvantaged backgrounds gain the most from high quality education and care⁶. Children experiencing disadvantage and vulnerability who participate in quality education and care demonstrate gains in cognitive function, language and social-emotional development as well as improved long term outcomes⁵. Quality education and care experiences provide children with protective factors that continue to impact their life for the long term, resulting in higher levels of educational attainment, reduced dependence on social services and lower rates of criminality³. Ensuring children from disadvantaged backgrounds can access and attend quality education and care is important in reducing the gap between life outcomes for advantaged and disadvantaged children. Increasing the proportion of Aboriginal and Torres Strait Islander children engaged in high quality, culturally appropriate early childhood education is a specific socio-economic target of the *National Agreement on Closing the Gap*, recognising the importance of quality education and care for improving outcomes and reducing disadvantage⁷.

Enabling access and providing families with choice

Education and care services must be of high quality to protect children’s health, safety and wellbeing and to improve their developmental and educational outcomes. It is also expected of families and enables parents’ and carers’ participation in the workforce.

These aims can only be achieved if families are able to *access* education and care services, so it is important that families have a wide array of options and information to help them understand the importance and impact of education and care, and choose the service(s) and service types that best meet their needs.

One of the objectives of the NQF is to improve public knowledge, and access to information, about the quality of education and care services. Families can use ACECQA’s [Starting Blocks](#) website to find education and care services in their area, along with details about the quality of services, supporting them to choose services that best suit their child and family circumstances. Following a decision by the then Australian Government to decommission its ChildCare Finder website, since early 2022, families have also been able to find fee and vacancy information on [Startingblocks.gov.au](#). This makes [startingblocks.gov.au](#) the primary source of government information for families and the community on the education and care sector.

⁴ Heckman, J. Invest in early childhood development: Reduce deficits, strengthen the economy, published December 2012.

⁵ OECD, Starting Strong V: Transitions from Early Childhood Education and Care to Primary Education, June 2017.

⁶ [Melhuish E, Ereky-Stevens K, Petrogiannis K, Vaharis Penderi E, Rentzou K, Tawell A, Broekhuizen M and Leseman P \(2015\) A review of research on the effects of early childhood education and care \(ECEC\) upon child development. CARE project: Curriculum Quality Analysis and Impact Review of European Early Childhood Education and Care \(ECEC\).](#)

⁷ National Agreement on Closing the Gap: <https://www.closingthegap.gov.au/national-agreement>, accessed 29/03/2023.

The variety of service types regulated under the NQF (long day care, family day care, stand-alone or school-based preschools/kindergartens and outside of school hours care) provides families with choice. As governments expand access to education and care, provision needs to remain flexible to ensure services are accessible and available for the hours required to support diverse family circumstances and workforce participation. Family day care services, for example, have flexible hours and are often the best option for children and families who are seeking a home environment, including shift and emergency workers and those based in regional and remote areas.

Children should be able to access quality, NQF-regulated services

International research has found that poor quality early childhood education has a long-lasting detrimental effect on children’s wellbeing and educational outcomes. ACECQA recommends that all children aged from birth to five years should have equitable access to high quality, NQF regulated services as the NQF ensures strong compliance and quality improvement mechanisms that reduce risks to children while supporting their physical, social, emotional, language and cognitive development.

To this end, the objectives and guiding principles of the NQF⁸ are a safeguard for quality and inclusive practice within a well-balanced regulatory framework for families and providers. A fundamental aspect of the NQF is the assessment and quality rating of education and care services against the National Quality Standard (NQS). The NQS includes seven quality areas that contribute to quality service provision and improved outcomes for children:

- Educational program and practice
- Children’s health and safety
- Physical environment
- Staffing arrangements
- Relationships with children
- Collaborative partnerships with families and communities
- Governance and leadership.

The NQS encompasses components of both ‘structural’ quality (for example, educator qualifications, educator to child ratios, approved learning frameworks, and professional development and support) and ‘process’ quality (for example, interactions between educators and children). The NQS also increases the focus on educators’ pedagogical practice, including:

- intentional and responsive teaching
- inclusive practice and respect for diversity
- assessment for learning and quality improvement planning
- critical reflection
- continuity of learning and transitions
- professional collaboration, standards and development.

Quality ratings

⁸ Section 3 of the [Education and Care Services National Law](#)

The NQF is unique in that regulators and providers work together to achieve continuous quality improvement. Sustained improvements in quality across all areas of the NQS can be seen in the data collected since the introduction of the NQF in 2012. When quality ratings were first published in 2013, 56 per cent of rated services met or exceeded the National Quality Standard. In 2023, 89 per cent of services meet or exceed the National Quality Standard⁹.

Determining a service's quality rating

The quality rating for a service is determined by the relevant state and territory regulatory authority. Each service is assessed against the 40 quality elements of the NQS as either 'met' or 'not met'.

After assessing each element, the regulatory authority then rates each standard and quality area. The overall rating is determined based on these results. If any element is 'not met', the rating for that standard will be 'Working Towards NQS', as will the overall quality rating.

If all elements are 'met', the service will be rated either 'Meeting NQS' or 'Exceeding NQS'. To be rated 'Exceeding NQS' in a Standard, the following three themes must also be demonstrated:

1. Practice is embedded in service operations
2. Practice is informed by critical reflection
3. Practice is shaped by meaningful engagement with families and/or the community

A service rated 'Exceeding NQS' in all quality areas is eligible to apply to ACECQA for the highest ('Excellent') quality rating level.

A service rated 'Working Towards NQS' may attract this rating due to a single element being graded as 'not met', despite there being no evidence of there being a concern regarding the safety, health and wellbeing of children.

Where there is a significant risk to the safety, health and wellbeing of any child, a quality area will be rated 'Significant Improvement Required'. If this occurs for one or more quality areas, the overall rating is 'Significant Improvement Required'. Compliance action may be taken in parallel to the assessment and rating process, and a regulatory authority may engage in monitoring activities to check the service is meeting minimum requirements to ensure the health, safety and wellbeing of children and the service's ongoing compliance.

Appeals

An approved provider may appeal a ratings decision by requesting a review by the regulatory authority¹⁰. Following this review, an approved provider may seek a further review on certain grounds by application to ACECQA. ACECQA's impartiality and independence from regulatory authorities bolsters the integrity of the appeals process.

Assessment and rating is one of many tools available to regulators

Regulatory authorities adopt a risk-based approach to regulation. The assessment and quality rating process is only one mechanism used by regulatory authorities to monitor and oversee practice within services. There are a range of other mechanisms by which regulators track performance within a service and become apprised of issues that require attention, including, for example,

⁹ <https://www.acecqa.gov.au/nqf/snapshots>

¹⁰ Section 141 of the [Education and Care Services National Law](#)

undertaking investigations or monitoring activities to respond to complaints or notifications of incidents and changes to the service.

Importantly, regulators work with approved providers and their services to help them on their journey of continuous quality improvement and to support them to work towards achieving best practice for children. ACECQA supports the sector by collaborating with regulators to develop and provide a large body of resources to facilitate a greater understanding of the requirements of the NQF, as well as best practice guidance.

A range of regulatory tools is available for regulators to support improvements to quality and to respond to non-compliance, including, for example, compliance tools (such as emergency action notices and compliance directions), enforceable undertakings (including prohibition notices, prosecutions, and directions to exclude inappropriate persons from service premises), applying conditions to service approvals, suspensions of educators and services, cancellations of service approval, and cancellation of provider approval. The response by the regulator depends on the severity of the problem that has been identified, the risk to children, and any remedial actions taken by the approved provider.

A highly skilled workforce underpins quality

On behalf of all governments, ACECQA coordinated the development of [Shaping our Future](#), the ten-year (2022-2031) national children's education and care workforce strategy, which was co-designed with the education and care sector, and responds to persistent workforce concerns around the recruitment and retention of high quality educators and teachers.

The strategy includes 21 nationally agreed actions to be delivered over the short (by the end of 2024), medium (by the end of 2027) or long term (by the end of 2031), grouped by six inter-related focus areas:

- Professional recognition
- Attraction and retention
- Leadership and capability
- Wellbeing
- Qualifications and career pathways
- Data and evidence.

The strategy is complemented by an implementation and evaluation plan, a summary of workforce related initiatives from across the country, and an online workforce snapshot, all publicly available on ACECQA's website.

Higher educator qualifications are strongly associated with improved child outcomes, as appropriately qualified educators are better able to involve children, stimulate positive interactions, and use a range of strategies to extend and support their learning. In addition, there is growing evidence linking structural mechanisms in staff workforce development and working conditions to higher quality and more consistent staff-child interactions, as well as to overall gains in child development, learning and well-being¹¹.

¹¹ OECD, Supporting quality early childhood education and care through workforce development and working conditions, in *Engaging Young Children: Lessons from Research about Quality in Early Childhood Education and Care*, March 2018.

A fundamental feature of the NQF was the introduction of mandatory minimum qualifications for educators and early childhood teachers to build a highly skilled workforce, ensuring educators are equipped to facilitate children's learning and development. Since its introduction in January 2012, the NQF has progressively introduced higher qualification requirements, most notably improved educator to child ratios, a requirement to employ an early childhood teacher in all relevant services, and a requirement for at least half of educators included in relevant ratios to hold, or be actively working towards, an approved diploma level (or higher) qualification.

The important competencies for teachers and educators delivering quality programs are reflected in the two nationally approved learning frameworks which as mentioned above, have recently been reviewed for currency and contemporary application. Limited public understanding of the value and professional role of qualified educators and teachers in the early years has a negative impact, with educators and teachers in prior to school settings often feeling undervalued and underappreciated for the essential service that they provide.

The current and persistent workforce concerns in the children's education and care sector reflect ongoing challenges around recruiting and retaining high quality educators and teachers, and this is particularly problematic in the context of a sector that is providing a service critical to supporting increased social and economic benefits for families. The impact of the COVID-19 pandemic has emphasised the critical importance of the sector and its workforce.

Jurisdictional initiatives to increase participation in prior to school setting education and care underway in many states and territories will increase demand for services and, subsequently, impact the demand for service providers and the children's education and care workforce.

To deliver quality education and care, services need to be staffed with a highly skilled workforce and enable equitable access for families through flexibility and choice.

It is heartening to note the Review's emphasis on the importance of developmental and educational outcomes for children, including those experiencing vulnerability and/or disadvantage, First Nations children and families, and children and families with additional needs.

I trust that this information is of assistance in informing this important review. If you would like to discuss our response, or would like further information please contact me or Michelle Edwards, A/General Manager, Policy and Regulatory Systems.

Yours sincerely

Gabrielle Sinclair
Chief Executive Officer