

Productivity Commission Inquiry into Early
Childhood Education and Care

June 2023

Productivity Commission Inquiry: Creche and Kindergarten Association Limited

C&K respectfully acknowledges the Traditional Custodians of the lands on which our services and offices are placed. C&K also pays respects to all Elders past, present and future.

About C&K - Where children come first

As a not-for-profit organisation, children are at the centre of everything we do. The core purpose of our work is to create learning environments that allow children to flourish. For C&K, flourishing means that children are confident, secure, courageous, engaged, empowered, empathetic and resilient. As a not-for-profit organisation, we re-invest profits across our portfolio so we can support thousands of Queensland families. In 2022, we welcomed almost 19,000 Queensland children into our centres.

Creating high-quality learning environments requires highly qualified people, delivering quality education programs, which respond to today's children and empower them for the world of tomorrow. We achieve this through our dedicated workforce, which provide outstanding educational experiences for children and families every day. We grow our reputation as thought leaders, by actively engaging in advocacy and consultation and delivering professional learning opportunities to influence the future direction of early childhood education and care.

We are proud of our 116-year history of creating generations of life-long learners. C&K has an enviable reputation and is a brand synonymous with high-quality early childhood education, which has been earned through our deep and unwavering commitment to putting children at the centre of all of our decisions. We are a large early childhood education and care (ECEC) provider, spanning varied geographic and socio-economic communities across Queensland. C&K delivers a range of programs, under multiple funding models, with experience in delivering unique models that respond to community needs.

C&K employs more than 2,000 employees across our central office, 178 state-funded kindergartens, childcare centres and out of school hours programs. As a Central Governing Body (CGB), we also support 153 affiliated kindergartens, operated by voluntary management committees, on behalf of the Queensland Government.

We are leaders in workforce, quality, inclusion, and operating services in rural and remote communities. Our longevity and ongoing organisational sustainability are reflected in our lower than sector average employee turnover rate, high utilisation rate, and importantly, our high-quality ratings. Operating both childcare under the Child Care Subsidy and kindergarten under the Queensland Kindergarten Funding Scheme, gives us unique insight into the state and commonwealth funding models.

C&K families tell us of the importance of ECEC in providing their children with the foundational skills for lifelong learning. We have considerable experience in supporting families experiencing vulnerability and disadvantage and providing the conditions for those families to improve their circumstances and those of their children. Early learning is not only a fundamental and essential service for families but provides children with lifelong benefits from participation.

Overview

C&K welcomes the actions of the Australian Government in implementing their election commitments for a universal ECEC system, with a particular focus on access and affordability for children, and recognition of the highly specialised and qualified early childhood workforce. The Jobs Summit and the National Early Childhood Summit were two pivotal moments where ECEC was acknowledged for its foundational and critical impact on a thriving nation.

The Productivity Commission Inquiry into ECEC is a once-in-a-generation opportunity to fundamentally change Australia for the better, and we appreciate the opportunity to contribute on behalf of C&K families and children, and the extraordinary people we work with every day.

C&K is encouraged by momentum at state and commonwealth levels of government for reform. From our extensive experience in delivering on a vision that puts children first, we know that, for Australian children to flourish, we need an early childhood system that guarantees:

- high-quality education and care based on evidence, research and best practice.
- delivery by a highly educated, capable and qualified workforce who are recognised and rewarded for the important work they do.
- universal access for all children in every part of the country.
- ongoing viability and consistency, through long-term and secure policy, funding and regulation, which can be responsive and adapted to meet the uniqueness of local communities.

These guarantees, coupled with appropriate and flexible paid parental leave, maternal and child health care, support programs (like playgroup) and more effective transitions from early learning to primary school, will deliver enormous benefit to Australia, creating enhanced productivity and a more prosperous, happier and healthier society.

The early learning system will need radical change to get there. The particularly pronounced challenge is having a qualified and capable workforce available to deliver a reformed early childhood system. The quality of the workforce remains the highest priority, or a significant risk remains that the sector rapidly expands with poor quality services, putting children's outcomes at risk. It is with this in mind that the following recommendations be considered as a package. It is only through holistic and radical reform that Government can realise its objectives for both the developmental, social and educational benefits for Australian children, and the desired increase in workforce participation, especially for women.

Aboriginal and Torres Strait Islander children

C&K notes that this submission does not refer specifically to the needs of Aboriginal and Torres Strait Islander children. C&K supports reform being developed in direct consultation with First Nations communities and growth of the Aboriginal and Torres Strait Islander community-controlled sector as crucial to ensuring culturally safe and sensitive early learning and self-determination of Aboriginal and Torres Strait Islander children and communities. C&K supports SNAICC's recommendation for a minimum 30 hours per week of 95% subsidy for all Aboriginal and Torres Strait Islander children as an ongoing measure to 'close the gap' in participation and to improve Australian Early Development Census outcomes.

Early childhood evidence base

This submission is grounded in evidence and 116 years of experience in the early childhood sector. Specific evidence has been referred to, where relevant. We are happy to provide further detailed evidence on request.

Recommendations:

A good childhood at the centre of a universal model

1. Implement a strong, child-based minimum entitlement of low or no cost and high quality ECEC is legislated for all children.
 - 1.1 Beyond the minimum entitlement a proportionate universal model includes further needs-based funding to support children from birth, where need is higher.
 - 1.2 Children whose parents are working, studying or at risk of vulnerability or disadvantage (including low income or unemployment) should have easy access to additional ECEC.
 - 1.3 Priority of access rules should be explored as an option for ensuring that those who need it most are able to access the services they require.
2. Remove the activity test.

A truly universal system – provides access to a high-quality, not-for-profit program in every community

3. Reconfigure the early childhood sector to ensure not-for-profit providers can grow and thrive, and continue to invest in children, the workforce and early learning research and pedagogy – so that children in every community can access a high-quality and inclusive not-for-profit service.
4. Partnerships should be established between not-for-profit providers (NFPs) and government to ensure that all communities have access to high-quality ECEC services, through the provision of capital for services in regional areas and increasing the availability of grants accessible by NFPs to grow, upgrade and maintain aging properties.

A truly universal system – is inclusive

5. The role of connectivity and outreach should be specifically funded as an intentional and needed role in inclusion, and to support centres in more vulnerable communities.
6. Inclusion is funded in full and at all levels, including for children, centres and broader support programs, and seeks to address disadvantage felt disproportionately by centres in more disadvantaged or at-risk communities.
7. Expand Australian Child Care Subsidy (ACCS) Child Wellbeing Certificates to a minimum of 13 weeks, with a 12-month determination, to ensure children and families at risk receive consistent and ongoing education and care.
8. A reformed system should be responsive to unique community needs and empower local decision-making.

A truly universal system – is an investment and funded to support high quality

9. A new or reformed funding model, which promotes high-quality, accessible and equitable ECEC, is needed to deliver a truly universal system in Australia.
 - 9.1 In recognition of the fundamental role of qualified teachers and educators in delivering high-quality provision, and improving child wellbeing and outcomes, funding should guarantee the wages of qualified staff, and ensure parent out-of-pocket fees are at low or no cost.
 - 9.2 A single funding mechanism should apply to both long-day and preschool sectors.

The system needs stewardship

10. A system stewardship approach to early childhood, led by the Australian Government, is needed to ensure that the wellbeing of Australia's children is approached from a holistic, national perspective, bringing together the collective and shared roles of governments, organisations and families. With children at the centre of this approach, their voices will be heard and engaged.

National consistency

11. The Australian Government should lead the consistent national adherence of key policies and frameworks, with a stronger use of financial and policy levers to uplift quality and inclusion.

Strengthening the viability and consistency of the early learning sector

12. **Governance** - An intergovernmental agreement, between the Commonwealth, State and Territory governments, is needed to ensure unity and commitment to their shared responsibility and actions in early learning, capturing initiatives and funding from birth to school, to support a coherent, connected and compatible funding system. The agreement should be supported by a system steward engagement.
13. **Data** - Early childhood data should be better utilised, linked, and accessible to support policy decisions and improved child outcomes. Sharing of data and information will be a required element of a stewardship approach to early learning.
14. **Outcomes** - Support early childhood education and care settings and deliver high-quality learning and development outcomes for children.

Quality centres need a qualified workforce

15. **Quality** - Reinstate a National Partnership Approach on the National Quality Framework (NQF) as part of the national commitment to quality early learning, with the Australian Government to take a leadership role in consistent implementation of the NQF, supporting greater quality uplift and outcomes.
16. **Qualifications and Professional Learning** - Qualification integrity should continue to be upheld and supported as the main driver of quality.
17. **C&K** recommends professional learning continue to be supported by government, including programs that target diploma and bachelor completions, such as funding for backfill and paid practicum.

Workforce stability and capacity

18. **Government** funds an immediate pay rise to early childhood teachers and educators, to stem workforce attrition in the short-term, and prioritise medium and long-term strategies to build the pipeline of a qualified, capable and stable workforce.

Early learning needs to be equitable – some children are missing out

Inclusive programs should be high quality

19. **Inclusion** funding should reflect the actual cost to deliver high-quality services, with funding for a highly qualified and specialised workforce.

First 1,000 days

20. **Recognition** of infant and toddler rights to highly qualified staff and educational leadership specialists in each setting to illuminate the importance of this life stage.

Three-year old preschool

21. An entitlement to a funded preschool program, delivered by a degree-qualified teacher, should be extended to three-year-old children, with a consistent and nationally agreed dosage.

1. A good childhood at the centre of a universal model

A truly universal system – funds and supports every child and their childhood.

Recommendation 1. Implement a strong child-based minimum entitlement of low or no cost and high quality ECEC is legislated for all children.

1.1 Beyond the minimum entitlement a proportionate universal model includes further needs-based funding to support children from birth, where need is higher.

1.2 Children whose parents are working, studying or at risk of vulnerability or disadvantage (including low income or unemployment) should have easy access to additional ECEC.

1.3 Priority of access rules should be explored as an option for ensuring that those who need it most are able to access the services they require.

Children and families need a range of supports during a child's earliest years and should be able to access a suite of programs to best support their needs. For many families, these needs will vary. All families will need child and maternal health, but the need for early learning will depend on family circumstances and preferences.

Critically important is that the early childhood system is underpinned by a principle of a good childhood. Drawing on the Nordic notion of The Good Childhood, consideration of the impact of government policy design on children and their childhood should be given in all areas of government decisions. We consider the term **Universal** in the Australian context to mean that children should have access to the supports and resources they need for a good childhood.

Under this definition, we consider that strengthening and lengthening paid parental leave and providing access to supported playgroups and maternal and child health services should be considered as child entitlements, along with access to high-quality education and care.

For children who are engaged in ECEC, services must be of the highest quality to see maximum benefit, particularly for vulnerable children – high-quality provision must be the priority reform objective for the government.

Proportionate universalism sets a strong platform for all – it provides an entitlement to a minimum right for all children, with targeted and intensive support for those who need more. It is essential that children do not fall through the cracks of rigid funding arrangements and complex application processes. C&K emphasises the significance of a strong universal platform that can deliver the differential supports that most children need. The demands on more targeted and intensive programs can then be reduced if the universal provision is high-quality, appropriate and fit for purpose.

Currently, children across Australia have inequitable access to early learning. Your postcode determines if ECEC is available to you, the cost, and qualifications required of teachers and educators. A child's age also determines the program they are eligible for and the dosage they receive, with inconsistencies across Australia. Children with additional requirements, with disability, and at risk of vulnerability and disadvantage, First Nations children, and children in regional and remote Queensland, are underrepresented in participation data. The early childhood system is working well for some, but not for those who stand to benefit the most.

Australia's early childhood system needs to provide equitable access for all. C&K supports the Centre for Policy Development's Starting Better Guarantee of low cost, high-quality ECEC as soon as

families want it, and two years of low-cost, high-quality preschool before children start school, and finally, a seamless transition from preschool into primary school¹.

We are conscious in implementing this guarantee, the need to explore how the entitlement will be made available for children practically across a five-day week. Priority of access rules may be a way of managing the child entitlement, and this should be fully explored to ensure equity and access, where child benefit is considered as important as parental workforce participation.

Recommendation 2. Remove the activity test.

C&K supports the removal of the current activity test on the basis that a child-minimum entitlement should not be determined by the family employment status. The activity test penalises children who are in families with fluctuating or no paid employment or study – when the system should do the opposite; children in these circumstances often stand to benefit the most from high-quality early learning and barriers to their participation should be removed.

Some children and families will need access up to five days per week of early learning to support work or study or where the child is at risk of or experiencing vulnerability and disadvantage. For these children and families, access should be simple and not introduce high levels of administrative burden. For children experiencing vulnerability, additional days should be low or no cost. For working and studying families, the funding instrument should be designed so they do not face high Effective Marginal Tax Rates for the fourth and fifth day of work, such as through a flatter taper.

A truly universal system – provides access to a high-quality, not-for-profit program in every community

Recommendation 3. Reconfigure the early childhood sector to ensure not-for-profit (NFP) providers can grow and thrive, and continue to invest in children, workforce and early learning research and pedagogy – so that children in every community can access a high quality and inclusive not for profit service.

Recommendation 4. Partnerships should be established between not-for-profit (NFP) providers and government to ensure that all communities have access to high-quality ECEC services through the provision of capital for services in regional areas and increasing the availability of grants accessible by NFPs to grow, upgrade and maintain ageing properties.

NFP providers play a crucial role in the broader ECEC sector. C&K and other NFPs are sector leaders on quality, wages and inclusion. We reinvest surplus into the organisation to provide additional support to centres to ensure quality, regulation, pedagogy, curriculum, wellbeing and inclusion, and this investment has significant flow-on effect to the broader sector.

By prioritising this reinvestment, NFP providers lead high-quality service provision and ongoing professionalisation of the workforce, including the benefits that come with highly educated and experienced long-term employees. The Evaluation of the Child Care Package found NFPs are more likely to have lower fees² and ACECQA data consistently shows that NFPs have higher quality services³. The South Australian Royal Commission also found NFPs are more likely to pay their staff above-award wages and have higher staff tenure⁴. This is consistent with C&K's experience, where 23% of our 1,280 permanent staff have worked for the organisation for 10 or more years. NFPs also

¹ Centre for Policy Development (2021), [Starting Better: A Guarantee for Young Children and Families](#), p. 11.

² Australian Institute of Family Studies (2021), [Child Care Package Evaluation: Final Report](#), p. 122.

³ ACECQA (Q1 2023), [NQF Snapshot Report](#), p. 17.

⁴ Government of South Australia (2023), [Royal Commission into Early Childhood Education and Care: Interim Report](#), p. 72.

lead engagement with government and sector organisations, such as peak bodies, driving research, growing the evidence base, and implementing best practice policy with government.

NFPs are also more likely to operate centres in vulnerable, regional, and remote communities, and invest more in inclusion to support the full participation of all children.

75% of C&K's expenditure is on employee costs, which indicates the high level of investment in our staff, through appropriate wages and conditions, ongoing professional development, hiring experienced and qualified staff and providing additional roles to support inclusion, pedagogy and centre management. This investment underpins C&K's high-quality service provision and is broadly consistent with other NFP providers. The result of this is that NFPs are generally not able to make services viable with low utilisation, with a high breakeven point, sometimes up to 90% or 100% utilisation. This impacts the growth appetite of NFPs.

For-profit organisations, which may pay wages at the award level and often have access to greater capital, have lower break-even thresholds, which means they are more likely to take risks in opening new centres in areas where there are large populations and existing competition. In some areas this has led to the over-supply of places, thinning the workforce over multiple sites that are not fully utilised (i.e., low occupancy). NFPs operating in these areas, with higher break-even points, are then even less likely to become viable. This can also have an impact on service quality as multiple services try to attract or retain staff from the same talent pool.

The limitations on NFPs to raise capital, and the more constrained growth appetite of NFPs, is clearly evidenced through data showing that only 79 new NFP centres have opened, compared with 1,897 private centres since 2014⁵.

NFPs are also more likely to operate centres in vulnerable, regional and remote communities, and invest more in inclusion to support the full participation of all children. Conversely, for-profit organisations are less likely to open new centres in regional and rural areas with either low or fluctuating populations or low socio-economic areas.

The financial structure of most NFP providers, typified by high employee costs, means there is a limited capacity to afford market rents on newly developed centres, with many NFPs operating with older community-style buildings that are expensive to maintain. Community-based services have endured underinvestment in capital for many years and may need upgrades to meet the expectations of contemporary educational facilities and workplaces. Funding for capital upgrades will support the NFP sector to continue to set benchmarks for quality and survive in an increasingly competitive market.

Capital funding should be restricted to NFP and government services, where the ability to raise capital is limited. Application to a dedicated funding stream, for new or existing facilities, could be assessed on quality, inclusion and priority access communities. Approval could be based on strong records of delivering high-quality inclusion and support.

Strengthening the NFP sector will have considerable flow on effects on the quality of provision, and in-turn, child outcomes. NFP providers play an important role in setting high standards for quality and workforce, thereby driving up these elements in competitors, as families increasingly demand high-quality provision. This will be an important consideration in any universal subsidy scheme where quality must be incentivised across the entire market.

A truly universal system – is inclusive

Recommendation 5. The role of connectivity and outreach should be specifically funded as an intentional and needed role in inclusion and to support centres in more vulnerable communities.

⁵ Professor Frances Press (2023) [Submission to PC Inquiry](#), p. 3.

Recommendation 6. Inclusion is funded in full and at all levels, including for children, centres and broader support programs, and seeks to address disadvantage felt disproportionately by centres in more disadvantaged or at-risk communities.

A new early childhood development system should be highly connected, both in terms of the experience of families and children, and in the government framework that supports it.

Elements of the system should be complementary, supportive, and easy for families to access. Much of this work is happening, but in a fragmented and inefficient way. Providers and centre-based staff carry the brunt of this work, supporting families for everything from explaining what subsidies they can access, to referring and supporting families to connect with local health and wellbeing services. This work is currently unpaid and unrecognised – but should instead be an intentional and funded design of the system. Inclusion funding should recognise this and fund centres in communities that have higher support needs and require different educator skill sets.

In principle, the current funding instruments available to support children with additional needs, such as the Inclusion Support Program (ISP), or communities with complex delivery needs, such as the Community Child Care Fund (CCCF), are providing much-needed support. However, neither of these programs have been adequate, easily accessed, or timely enough to meet the true costs of including and supporting children with additional needs. Further, neither of these funding instruments recognise the higher levels of support required in some communities that face higher levels of disadvantage and risk, such as in low-SEIFA communities. This results in unacceptable levels of stress and vicarious trauma for staff working in these settings.

At an individual child level, ISP needs a significant funding boost, increasing the hourly rate paid to educators and matching hours to attendance. The inclusion workforce needs better support and recognition of their important role in uplifting inclusion in services, in addition to their crucial administrative and compliance roles.

Recommendation 7: Expand Australian Child Care Subsidy (ACCS) Child Wellbeing Certificates to a minimum of 13 weeks, with a 12-month determination, to ensure children and families at risk receive consistent and ongoing education and care.

The ACCS should ease the burden and serve the children and families it seeks to help. Requiring frequent and repetitive approvals for children to access ACCS puts an unnecessary administrative and wellbeing burden onto staff and families. There is opportunity for streamlined approvals process that considers the child's needs and includes the perspectives of families, the child and the early childhood educators who work with the child. Continuity and certainty of care must be the primary focus.

Recommendation 8: A reformed system should be responsive to unique community needs and empower local decision-making.

Community responsiveness and localised settings, developed in partnership with communities, is critically important. Children, families, and communities have unique and diverse needs. A connected system should embrace and enable this, especially in First Nations communities. There is an opportunity for the CCCF to be broadened to ensure communities with low occupancy can have viable services that enable place-based initiatives such as integrated service models.

Further, early childhood services, located in very remote areas, or those with a high proportion of families and children experiencing vulnerability and/or disadvantage, require a higher level of resourcing, including funding to attract, house and provide transport for degree-qualified early childhood teachers. Growing each community's own qualified educators and teachers, should be a priority for remote services.

An intentional, funded and connected system will have a particularly positive impact for children with complex needs or who require additional support. C&K prioritise the wellbeing and support of children, and fund a range of activities to support inclusion, above and beyond what is funded, and required under inclusion funding schemes, at federal and state levels. We know that there is greater complexity in low socioeconomic areas, where children are more likely to be experiencing vulnerability and disadvantage. This uneven distribution of additional workload can have an impact on centres in communities where high-quality is needed most.

The Centre for Policy Development's family journey maps⁶ illustrates the current fragmentation of the system, with the onus on families to navigate their way through, and the impact this has on families who may be at risk of vulnerability or disadvantage.

A truly universal system – is an investment and funded to support high quality

Recommendation 9. A new or reformed funding model, which promotes high-quality and accessible and equitable ECEC, is needed to deliver a truly universal system in Australia.

9.1 In recognition of the fundamental role of qualified teachers and educators in delivering high-quality provision, and improving child wellbeing and outcomes, funding should guarantee the wages of qualified staff, and ensure parent out-of-pocket fees are at low or no cost.

9.2 A single funding mechanism should apply to both long day and preschool sectors.

The existing funding model of ECEC is fragmented and inefficient, resulting in substantial out-of-pocket fees for many families, an unstable market with areas of both over and under supply (or no supply at all), and centre viability issues. This fragmentation limits the government's ability to influence the market. Parent choice is largely driven by an ever-changing funding policy environment where there is inadequate interaction between CCS and state-based preschool funding.

As a provider, operating under multiple models, we have experience in the complexity of the current funding arrangement. We know families are navigating a complex system to try and understand the rules of their eligibility, eligible subsidy amounts and real out-of-pocket costs. Reform to the funding model should ensure that family navigation of the system is greatly reduced. There should be no material difference for families accessing preschool, based on setting, if the program and hours are the same. For providers, the system should allow for innovation and responsiveness for community and local demand. If there is demand for a standalone kindergarten service with extended hours, the funding arrangement should support that. This will further empower families to make choices that suit their context and their child.

Increasing the CCS subsidy to 90% under the existing system will not deliver a universal system and will favour higher-income families. However, consideration to a supply side component of funding, which is tied to quality elements such as wages of qualified staff, would potentially alleviate the issues that the market has not addressed on its own.

Under current CCS arrangements, low-quality providers continue to operate, despite the intended safeguards of the NQF. CCS alone has not incentivised providers to uplift quality. Childcare has become an appealing financial investment whereby government funding and parent fees flow while poor wages and conditions of staff contribute to low-quality provision. A portion of supply-side funding to providers could be linked to elements of quality, such as employment of highly qualified staff. This would ensure more even quality across all areas of Australia, incentivise providers to adhere to appropriate wages and conditions of staff and enable the 90% subsidy to apply to a lesser portion of government investment.

C&K has conducted some specific investigation, into a model whereby the government would fund 80% of the costs of diploma and bachelor-qualified staff under award conditions, with the remainder of

⁶ Centre for Policy Development (2022), [Family journey map](#), p. 8.

the costs made up by parent fees, with a 90% CCS subsidy applied. Under this modelling, we found that many of the barriers and limitations of the current system would be removed.

Our analysis indicated that this model would:

- provide an uptick in quality, through incentivising the employment of qualified staff
- enable employers to contribute to wages growth and provide appropriate wages and conditions – growing the workforce to required levels.
- control the majority of centre running costs, greatly reducing parent fees.
- be a platform for needs-based subsidy for children with disability, additional or complex needs, at risk of vulnerability and First Nations children, whereby the supply side funding can be increased to address these needs in a responsive way.
- be able to apply across multiple ECEC settings and provide greater simplicity for families navigating the system.
- incentivise the workforce to upskill and support the growth of a qualified workforce across all age groups.

2. The system needs stewardship

Recommendation 10. A system stewardship approach to early childhood, led by the Australian Government, is needed to ensure that the wellbeing of Australia’s children is approached from a holistic national perspective, bringing together the collective and shared roles of governments, organisations and families. With children at the centre of this approach, their voices will be heard and engaged.

A system stewardship approach ensures that the wellbeing of Australia’s children is collectively shared by governments, organisations and families, and will reframe early childhood education and care as critical infrastructure, to support not only children in their own right, but society as a whole.

The Australian Government are appropriate as ECEC stewards, and this is consistent with their objective of breaking down silos⁷. By taking on this leadership role, the Australian Government can deliver greater coherency across jurisdictions, and policy portfolios, ultimately delivering improved child outcomes.

To realise this vision, the early childhood sector will need reform, building on a strong foundation of what currently works, removing barriers within the system, and innovating into new areas.

Giving children the best possible start in their first five years of life is the most important investment society can make. Families must have confidence in the early childhood system to deliver educational outcomes and wellbeing for their children, to support enhanced family functioning, and to enable their full participation in the paid workforce. For parents to successfully work, their children need to be thriving.

This investment is shared – by families, governments, and organisations, with a focus on children’s learning and development. This is the critical infrastructure upon which society is built – but it must be fit-for-purpose, to respectfully facilitate the learning and development of children and recognise the specialisation of early childhood education and care.

An Australian vision for early childhood, first and foremost, needs to have children at its centre. With a clear focus on children, a vision for children will be responsive to their present and future social, emotional, and economic needs. With this focus clear and agreed the early childhood system can adapt and innovate alongside children.

We welcome the Early Childhood Strategy’s intention to design a holistic and integrated vision for the early years and implore the Productivity Commission to design an appropriate governance framework

⁷ Australian Government (2023), [Early Years Strategy: Discussion Paper](#), p.6.

of system stewardship to support its successful delivery. Specifically, system stewardship should maximise the Australian Government's funding and policy levers to incentivise quality and inclusion in early childhood education.

National consistency

Recommendation 11. The Australian Government should lead the consistent national adherence of key policies and frameworks, with a stronger use of financial and policy levers to uplift quality and inclusion.

Inconsistent application of policies and frameworks is an issue in Australia's early learning sector, resulting in an inequitable experience for children, families and the workforce. This impacts the amount of early learning a child can access, a family's out-of-pocket costs, the comparability of service quality and fees, and provider's efforts to meet and exceed the NQS, to name a few. There is a key role for the Australian Government to take leadership in ensuring consistent application of the National Quality Framework, National Quality Standard and Assessment and Rating process, and create more coherency for families and children accessing early learning.

A specific area to highlight is the critical need for consistent national alignment of teacher registration to ACECQA qualifications in all states and territories. This long-called-for policy is a recommendation of the ACECQA National Workforce Strategy, *Shaping Our Future*, yet has not been achieved. The consistent registration of early childhood teachers will improve professional recognition of the workforce, provide equal employment opportunities for graduates across jurisdictions, and will open opportunities for higher wages.

Recent announcements, by the Victorian and New South Wales Governments to move to 30 hours of preschool, add further to the inconsistent national experience for children. Significant policy settings such as dosage, subsidies, or quality requirements (including teacher-delivered programs) should be nationally determined as aspirational targets, not minimum standards, with jurisdictions supported and incentivised to work toward these aspirations in their own contexts.

The result of significant differentiation between states delivering on minimum standards, versus others delivering a more aspirational policy setting, will widen the gap of a child-centred entitlement, based on their geographic location, and exacerbate unintended consequences. This could have a significant impact on some states more than others, risking becoming locations with poorer child outcomes, less family workforce participation, less ECEC investment, or less desirable locations for ECEC employment.

Building on the success of the Universal Access National Partnership Agreement, the Australian Government should take a leadership role in ensuring a nationally consistent experience for children, families and providers, particularly in relation to equitable access and quality service delivery.

3. Strengthening the viability and consistency of the early learning sector

Governance

Recommendation 12. An intergovernmental agreement between the Commonwealth, State and Territory Governments is needed to ensure unity and commitment to their shared responsibility and actions in early learning, capturing initiatives and funding from birth to school, to support a coherent, connected and compatible funding system. The agreement should be supported by a system steward engagement.

For government, greater interconnectedness between departments and jurisdictions will greatly improve ECEC. When a good childhood is at the centre, it doesn't matter what department or level of

government is delivering or funding a program. Families should be set up for success, to seamlessly navigate the services required for their children to flourish.

C&K supports The Starting Better Guarantee⁸, which outlines a new architecture for Early Childhood Development, advocating for collective ownership and accountability for achievement and outcomes.

A reformed early childhood system should be supported by an intergovernmental agreement that outlines the shared responsibility and commitment of jurisdictions to early learning, with flexibility for provision within state and community contexts.

Regular formal and informal engagement with the system stewards - layers of government, providers, and peak and industry bodies would also be beneficial in developing policies for children and families. Children's voices should also be heard when developing policies that relate to them.

Data

Recommendation 13. Early childhood data should be better utilised, linked, and accessible to support policy decisions and improve child outcomes. Sharing of data and information will be a required element of a stewardship approach to early learning.

A reformed early childhood system presents an opportunity to better utilise existing data to frame and define outcomes and opportunities for the early childhood system. Data, including the Australian Early Childhood Development Census (AEDC), National Quality Standard (NQS), and state-based collections could be better linked and used to inform policy priorities and contextualise outcomes. A reformed early childhood development system would consider data and outcomes of all children, not just children of preschool age, with the data and analysis shared between jurisdictions to enable connected and consistent evidence-informed policy making.

Data should be focused on improving understanding of programs and inputs, how these support outcomes for children and the broader health of the early childhood development system, providing regular reporting and analysis, and creating a longitudinal evidence base. Used in this way, data has the potential to drive synergies, efficiencies and more connected programs that will benefit children, families, and society.

Outcomes

Recommendation 14. Support early childhood education and care settings to deliver high-quality learning and development outcomes for children.

C&K supports the development of national resources and professional learning programs that support the early childhood workforce to engage with evidence in the development of their learning and development programs. These resources should build on the existing capabilities of the workforce, align with Approved Learning Frameworks and promote both teacher-led and child-led play-based pedagogies. They should include age-appropriate observation and assessment of children's learning and development to support teachers and educators in having greatest impact in their work. Data gathered from the assessment or measurement of children's learning should be used to inform funded professional learning programs to support teachers and educators in their work. Teachers and educators should be actively involved in the analysis and moderation of data and directly involved in the development of implications for future program development. Locally driven teacher inquiry projects should run alongside large data gathering programs to connect big data with local contexts. Teachers must be empowered by data rather than directed by it. The Australian early childhood sector has the opportunity to lead internationally in the area of teacher-led assessment for learning.

⁸ Centre for Policy Development, Starting Better Report: <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>

4. Quality centres need a qualified workforce

Quality

Recommendation 15. Reinstate a National Partnership Approach to the National Quality Framework as part of the national commitment to quality early learning, with the Australian Government to take a leadership role in consistent implementation of the NQF, supporting greater quality uplift and outcomes.

The National Quality Framework (NQF), introduced in 2009, was a landmark policy for ECEC. It brings together the National Quality Standard, Early Years Learning Framework and Assessment and Rating process. The NQF itself has been a success, contributing enormously to the growth in quality and qualifications and a shared professional accountability and purpose across the early childhood workforce. Community confidence in the sector can be seen in the increased enrolments of children of all ages.

Prior to 2018, states and territories were parties to the National Partnership Agreement for the National Quality Framework. This gave the Australian Government the ability to see implementation of the NQF across Australia and provided a mechanism for discussions on consistency. The abolition of this agreement, and ending of the funding in 2018, has resulted in a return to fragmentation and inconsistent application of the NQF within states and across Australia.

However, given the substantial commitment of funds by all jurisdictions into early learning, it is crucial that high quality early learning is supported. Positive long-term child outcomes will only be achieved if children are in high-quality services. If the growth in low-quality services continues to expand, government funding will potentially have the adverse effect.

In recommending a stewardship model, whereby states and territories, along with providers, will be supported to increase the quality of early learning, and held to account when this is not achieved.

To achieve this a consistent and improved application of the NQF across all states and regions is needed. Proposed strategies include:

- assessment and rating of all centres, at least once every three years (as was the initial intention of the NQF but never achieved), and annually for centres that do not meet the NQS.
- process changes to significantly reduce the administration burden associated with Assessment and Rating so that educators can focus on providing high-quality education and care. Remove the increasing need to produce documentation for assessment purposes only.
- improved reliability and accuracy of the Assessment and Rating process, including additional and ongoing training for assessing Authorised Officers to build and maintain their understanding of high-quality contemporary early childhood pedagogy. Workforce support of and trust in the Assessment and Rating process are essential to the provision of high-quality services.
- review the Assessment and Rating process and measures within the NQS to ensure the system is nationally consistent, remains fit-for-purpose, is built on contemporary evidence and provides greater alignment between system quality and child outcomes.

Qualifications and Professional learning

Recommendation 16. Qualification integrity should continue to be upheld and supported as the main driver of quality.

Qualifications of staff are the key driver of knowledge and skills, leading to high-quality environments and improved child wellbeing and outcomes. There is growing evidence of the importance of specialist qualifications in early childhood education and care to deliver the outcomes needed for children's optimal learning and development. The UK study, The Effective Provision of Pre-School

Education (EPPE)⁹, found that higher outcomes in children were associated with higher qualifications of educators.

Two Australian studies, The Quality Interaction Study (QIS) and the Fostering Effective Early Learning Study (FEEL), found that ongoing, targeted professional learning for teachers and educators can positively impact child learning outcomes.

The sector is currently experiencing considerable workforce challenges. The situation demands radical revisioning of pathways into early childhood careers and incentives to retain and grow a highly qualified workforce.

Low wages and poor conditions act as disincentives for those who may wish to pursue a career in the early childhood sector. As an employer of choice in Queensland, C&K has first-hand experience of the impact that higher wages and conditions can have on a workforce. We have enviably high staff attraction and retention rates, attributed to our attractive wages and working conditions. C&K also supports on-going professional learning and study supports for formal qualifications. Our NQS ratings demonstrate the role of stable, highly qualified and experienced staff in contributing to significantly higher quality ratings than state and national averages.

In order to address both the short and long-term challenges facing the early childhood workforce, C&K recommends:

- Industrial recognition of partial/progress completion of bachelor's degree qualifications to recognise an Associate Teacher status. This partial/progress can be recognised and appropriately remunerated once 50% of a bachelor degree is achieved along with continuation of enrolment. This approach could have an immediate impact on qualifications shortages, recognise the skills and knowledge of partially completed qualifications and incentivise people to enter initial teacher educator programs. This strategy is an alternative to short courses or fast-tracking degree programs where knowledge and skill development is compacted rather than expanded. Similar recognition could be applied to partial completion of diploma programs to further incentive completions while not detracting from the rigour of study programs.
- National Teacher professional registration to enable all teachers to be professionally recognised and connected to their profession.
- Adequate recognition of the specialist knowledge required to work with young children. Revision of initial teacher education programs for early childhood to ensure that the content of courses adequately covers the specialisations required to work with children birth to five years. Current birth to 12 programs emphasise school syllabus curriculum at the expense of children development, curriculum decision-making, creative and expressive arts and infant toddler pedagogies. C&K recognises the international definition of early childhood as courses that span the years from birth to eight. This provides graduates with sound knowledge of children in their early childhood years, the ability to work across the diversity of children's skills and abilities and to differentiate their teaching to address children's diverse learning and development needs and access to broad career opportunities aimed at retaining teachers in the profession over the long-term.
- Industrial recognition of postgraduate master's degree qualifications, particularly in Educational Leadership and specialisations such as inclusion, educational psychology, assessment and measurement. The cost of post-graduate study is rarely returned to graduates through financial recognition thus disincentivising the level of qualification required to build a strong leadership potential from the ground up. Of the 20 largest ECEC providers in Australia, only three are led by those who hold qualifications in early childhood education and care. This is in stark contrast to the 20 largest schools or universities where a relevant cognate qualification is seen as essential for sector leadership.

⁹ Sylva, K. Melhuish, E., Sammons, P., Siraj, I. & Taggart, B. (2004). [The effective provision of pre-school education \(EPPE\) project technical paper 12: The final report](#). England: University of London.

Workforce stability and capacity

Recommendation 17. C&K recommends professional learning continue to be supported by government, including programs that target diploma and bachelor completions, such as funding for backfill and paid practicum.

Recommendation 18. The government funds an immediate pay rise to early childhood teachers and educators, to stem workforce attrition in the short-term, and prioritise medium and long-term strategies to build the pipeline of a qualified, capable and stable workforce.

As a known leader in quality early childhood provision, C&K recognise the inadequacy of the current Award wage rates. We have prioritised above award wages, and higher levels of employment conditions, including non-contact time for curriculum planning and financial support for professional learning. Our employment data suggests that these incentives link to attracting a higher calibre of educators, higher employee retention rates and in turn, high-quality early childhood programs. We therefore support a sector wide uplift in wages to attract and retain the quality workforces needed to attain the desired outcomes for children.

C&K's experience in paying higher wages and better conditions under Enterprise Agreements, demonstrates that reward and recognition is an effective enabler of a stable, qualified and high-quality workforce. We support initiatives that guarantee the flow-through of government funds and directly support the evidenced-based components of quality such as a suitably qualified and remunerated workforce. Supply side funding, which is tied to quality elements, promotes sector-wide incentives to build capability and secure long-term workforce.

The not-for-profit sector has led the way for many years in terms of workforce attraction, retention and continuous quality improvement of services. While most NFP's have charity status, access to Public Benevolent Institution (PBI) status would provide further take-home salary benefits for staff through improved access to higher-value salary packaging. C&K invests over \$1million annually to ensure that children with additional learning needs can be involved in an inclusive education and care program. This contribution is over and above funding that is made available through government sources. Recognition of this contribution to benevolence could be recognised under PBI status for organisations that commit to the PBI principles.

5. Early learning needs to be equitable – some children are missing out

Inclusive programs should be high quality

Recommendation 19: Inclusion funding should reflect the actual cost to deliver high quality services, with funding for a highly qualified and specialised workforce.

C&K has extensive experience delivering high-quality early learning programs in communities with higher needs, and with large number of children requiring additional support. From this experience, we know that it is possible to provide the high-quality learning experience that will ensure improved outcomes for children experiencing vulnerability and disadvantage.

However, the design of the early learning system does not ensure this outcome for all children. It is the hard work of dedicated early childhood workers, and of organisations like C&K investing additional funds, which ensure inclusion needs of children are met. This is particularly the case in disadvantaged communities where there are higher portions of children who have additional requirements, due to developmental delay or trauma, challenging behaviours and complex life circumstances. Centres in these communities experience a disproportionate effect of these circumstances.

The result is that the cost to deliver high quality programs is much higher – this work is labour intensive. For example, a centre in a vulnerable or complex community, frequently does multiple of the below elements to support children and families:

- builds relationships with families, over time, to ensure they feel confident and their children feel safe in their early learning environment.
- undertakes specialised training.
- employs additional educators, especially when the risk of harm to staff or children is high, and to support children with additional support needs to fully engage in early learning.
- secures specialist management services to support the delivery of best practice.
- connects with allied health and/or family and child services, to work through and refer families experiencing issues with behaviour and triggering underlying causes such as domestic violence, drug and alcohol abuse, insecure housing and finances.
- provides basic and essential items for children, like food and clothing, and transport to attend the centre.
- provides additional staff support including time for staff to undertaking planning and reflection.
- resources administration requirements, such as applying for Additional Child Care Subsidy (ACCS) and other support programs.

Inclusion funding programs must recognise the complexities of vulnerable communities and adjust to ensure that where disadvantage and vulnerability are at scale, there is a corresponding recognition of a different funding approach. This might include supporting additional staff on a long-term basis – rather than on a per child (census) basis, supporting community liaison work and providing incentives to upskill the workforce in trauma-informed practice. Educator wellbeing must also be considered as those working continuously with families experiencing high levels of disadvantage and vulnerability brings additional stress and vicarious trauma. C&K has seen a significant increase in the use of Employee Assistance Programs over the past 5 years.

First 1,000 days

Recommendation 20: Recognition of infant and toddler rights to highly qualified staff and educational leadership specialists in each setting to illuminate the importance of this life stage.

The first 1,000 days, from conception to age two, is the most critical period of development that shapes children's long-term outcomes¹⁰. This evidence is agreed and is a focus of infant and maternal health organisations. Yet there is a significant gap in investment and focus on the first 1,000 days of development within an ECEC context, from a government perspective. There is a significant opportunity to build evidence on this age group, with a view to greater connectivity and support for children under 3, before they are engaging in preschool. The evidence is strong that brain development in the first 1,000 days is critical to later wellbeing and learning. Failure to acknowledge this evidence-base and provide the best possible environments for the learning and development of infants and toddlers, is remiss and costly in later remedial investment.

While three and four year old children have received considerable policy attention across both national and state programs in the last ten years, there has been little to no attention paid to children under two years. The qualifications of staff required to work with children under two remain at the lowest level of all education settings. Under the current qualification requirements of the NQF, it remains possible and likely that programs for children under two years can be delivered by staff who hold minimum levels of qualification. The requirement for preschool programs to be delivered by a limited number of university-qualified teachers in each setting, privileges older children and neglects the need for the youngest children to have access to staff who hold the same levels of child development knowledge and curriculum development experience as their older peers. C&K

¹⁰ Australian Research Alliance for Children and Youth, (2019) [The Strong Foundations: Getting it Right in the First 1000 Days Partnership](#), p. 8.

recommends that future regulatory requirements include a university-qualified teacher be engaged at each setting to oversee the education and care program for children aged birth to two years.

C&K proudly supports high-quality programs and provision for infants and toddlers, providing highly skilled staff, ongoing professional learning and a commitment to working in partnership with families to support their parenting journey. Our Educational Leaders undertake specialist Birth to Three professional learning to ensure that they can skilfully support our infant / toddler teams. C&K supports recognition of infant and toddler educational leadership specialists in each setting to illuminate the importance of this life stage.

Three-year old preschool

Recommendation 21: An entitlement to a funded preschool program, delivered by a degree-qualified teacher, should be extended to three-year-old children, with a consistent and nationally agreed dosage.

A reformed early learning system must include a national commitment for preschool for three-year-old children. The 2022 announcements of the Victorian and New South Wales Governments to roll out three-year-old preschool will result in the majority of Australian children benefitting from two years of teacher-led preschool by 2032. With strong evidence¹¹ to support two years of preschool before school, this is an untenable situation for equity in Australia, which is already experiencing significant growth in educational inequality.

The extension of preschool to three-year-olds would also have a significant positive flow-on effect, to the viability of early learning programs in regional and remote areas, where preschools are financially struggling due to low numbers of eligible age children. The Queensland Government's Great Start to Kindergarten program, which runs in limited numbers of kindergartens, such as those in communities with high numbers of Aboriginal and Torres Strait Islander children, has shown that most enrolled children will go on to attend a preschool program at age four, thus acting as a soft entry point, building the confidence of both families and children and growing preschool participation rates.

¹¹ Mitchell Institute, (2016), [Preschool – Two Years are Better Than One](#), p. 9.



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