



# **Submission to the Inquiry into Early Childhood Education and Care**

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MAY 2023

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## Our Commitment to Inclusion

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The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders, past, present and future.

We value and include people of all cultures, languages, abilities, sexual orientations, gender identities, gender expressions and intersex status. We are committed to providing programs that are fully inclusive. We are committed to the safety and wellbeing of people of all ages, particularly children.

Our values are:

- Integrity
- Compassion
- Respect
- Diversity
- Collaboration

Learn more about our commitment to inclusion: <[salvationarmy.org.au/about-us](http://salvationarmy.org.au/about-us)>

The Salvation Army is an international movement and our mission is to preach the gospel of Jesus Christ and to meet human needs in his name without discrimination.

More information about The Salvation Army is at **Appendix A**.



# Executive Summary

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The Salvation Army welcomes the opportunity to provide this submission to the Productivity Commission in relation to the Inquiry into Early Childhood Education and Care (the Inquiry).

For over 140 years The Salvation Army's services have walked alongside many children and families experiencing hardship and disadvantage. These experiences include, but are not limited to, poverty and financial hardship, family and domestic violence, homelessness, living with disability, and those of people from refugee and migrant backgrounds. It is from their experiences, as well as those of our frontline staff, that we have approached this submission.

We believe that first and foremost, recommendations from the Inquiry should reflect the experiences of children and families across Australia and should focus on addressing the structural elements that contribute to inequities and poor-quality service delivery in early childhood education and care (ECEC). We urge that universal childcare alone will not achieve long-term outcomes for children experiencing disadvantage or other vulnerabilities. Universal childcare must coincide with high-quality, and accessible ECEC services that are available to all children across the Nation.

Many of our recommendations come down to the need to keep families and children at the centre, and to create an ECEC sector that is equitable and accessible, particularly for children and families experiencing disadvantage or forms of vulnerability.

This submission covers:

- Addressing challenges and barriers faced by children and families in accessing ECEC, the importance of integrated service delivery and alternative learning models to drive inclusivity across the sector.
- The relationship between quality and accessible ECEC and women's workforce participation, particularly regarding disincentives to workforce participation.
- Investing in the ECEC services and workforce in a way that enhances quality across the sector.

Many of the issues and recommendations contained in this submission outline problems and solutions that the community sector has been raising over many years. We raise these again to emphasise their ongoing relevance and importance as they remain unresolved.

The Salvation Army has made **19** recommendations for the Productivity Commission to consider. A summary of these recommendations follows on the next page.



# Summary of Recommendations

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## Recommendation 1

1.7 The Salvation Army recommends that the Commonwealth Government consider a universal childcare subsidy resourced and calculated according to individual child needs. This could be extended to include free childcare for families experiencing financial hardship, vulnerability or disadvantage.

## Recommendation 2

1.11 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to fund dedicated spaces in all ECEC centres for children experiencing disadvantage or vulnerability.

## Recommendation 3

1.14 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to enhance ECEC flexibility. This could include opening casual days and extended opening hours.

## Recommendation 4

1.19 The Salvation Army recommends that the Commonwealth Government remove the Activity Test for the Child Care Subsidy and extend the Additional Child Care Subsidy period.

## Recommendation 5

1.20 The Salvation Army recommends that the Commonwealth Government immediately and meaningfully increase the rate of the Jobseeker Payment to ensure that recipients can live with dignity.

## Recommendation 6

1.21 The Salvation Army recommends that the Commonwealth Government allow parents to stay on the Parenting Payment Single until their youngest child turns 16 and increase the payment to match the single Age Pension.

## Recommendation 7


1.24 The Salvation Army recommends that the Commonwealth Government work with state and territory governments to fund culturally appropriate support to assist families from CALD backgrounds to navigate Australia's early years systems. This could include broadening access to payments and subsidies, support to navigate health and education systems, and multilingual information materials.

## Recommendation 8

1.25 The Salvation Army recommends that the Commonwealth Government work with state and territory governments to enhance ECEC services' cultural competencies and understanding related to alternative approaches.

## Recommendation 9





1.28 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to increase availability and accessibility of affordable healthcare in the early years.

#### **Recommendation 10**

1.32 The Salvation Army recommends that the Commonwealth Government work with state and territory governments to invest in social housing specifically for victim-survivors of family and domestic violence.

#### **Recommendation 11**

1.33 The Salvation Army recommends that the Commonwealth Government review the Child Care Subsidy and the Absence Penalty, to ensure they are inclusive of and consider victim-survivors of family and domestic violence.

#### **Recommendation 12**

1.37 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to develop incentives to integrate and co-locate ECEC services and early years supports.

#### **Recommendation 13**

1.40 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to explore and introduce alternative learning models of ECEC.

#### **Recommendation 14**

2.4 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments, the Fair Work Commission, and unions to increase pay rates by 0.5 per cent over and above the general pay increase in the significantly female-dominated health care and social assistance, and education and training sectors.

#### **Recommendation 15**

2.5 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to expand tax concessions to all workers in female dominated industries, including health, social services, and education sectors.

#### **Recommendation 16**


2.6 The Salvation Army recommends that the Commonwealth Government work with state and territory governments and the private sector to make superannuation mandatory for all paid and unpaid parental leave. All levels of government could set an example by paying superannuation for paid and unpaid periods of parental leave to public sector workers, and female dominated industries including health, social services and education.

#### **Recommendation 17**

2.9 The Salvation Army recommends that the Commonwealth Government review income support payment benefits to allow jobseekers to smooth the transition into work including by increasing the earning cap.

#### **Recommendation 18**





3.4 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to increase investment and funding to the not-for-profit and public ECEC sector.

**Recommendation 19**

3.9 The Salvation Army recommends that the Commonwealth Government increase wages for ECEC workforce staff. This could be through an ERO, to build the salaries of the ECEC workforce over time.



# 1 ECEC is Inclusive of All Children and Families

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- 1.1 The Salvation Army works alongside some of Australia's most disadvantaged and marginalised children and families, experiencing additional needs or barriers to engagement in the early years. Our services identify a lack of inclusivity across the ECEC sector related to these differing needs and barriers. These children and their families are often locked out of ECEC services despite arguably having the most to gain from its benefits.
- 1.2 With 90 per cent of brain growth occurring by age five, the early years period lays the foundation for future health, wellbeing and learning outcomes.<sup>1</sup> High-quality ECEC plays an integral role in this period particularly for children experiencing vulnerability, acting as a protective factor in reducing impacts of developmental risk factors and disadvantage in the early years.<sup>2</sup> ECEC has further shown considerable returns in reduced welfare costs, increased employment and decreased crime rates over time.<sup>3</sup>
- 1.3 By enhancing inclusivity, The Salvation Army believe that all children can have access to the benefits that ECEC provides and get the best possible start in life. We believe the following policy priorities to be key in developing inclusivity across ECEC services.

## Enhancing accessibility

### *Affordability*

- 1.4 The Salvation Army's services report that high and increasing costs are a significant barrier to ECEC participation, particularly for families doing it tough. In research conducted by The Salvation Army, of all households surveyed with children under the age of five, 38 per cent could not afford childcare, preschool, or day-care fees over the past 12 months.<sup>4</sup>
- 1.5 While The Salvation Army acknowledge the consideration of a 90 per cent universal childcare subsidy, this alone will not be sufficient in supporting families experiencing financial hardship and disadvantage to access ECEC. For families with little disposable income, the remaining 10 per cent of childcare fees remains unaffordable. For these families, ECEC is considered a luxury, with finding housing and keeping food on the table remaining the priority.
- 1.6 We stress that ECEC subsidies need to be resourced according to the individual needs and circumstances of children. This would ensure that all Australian children have equitable access to ECEC and the opportunities it provides.

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<sup>1</sup> The Parenthood. (2021). *Making Australia the Best Place in the World to be a Parent*. [https://d3n8a8pro7vhm.cloudfront.net/theparenthood/pages/669/attachments/original/1613473151/Final\\_Report\\_-\\_Making\\_Australia\\_The\\_Best\\_Place\\_In\\_The\\_World\\_To\\_Be\\_A\\_Parent.pdf?1613473151](https://d3n8a8pro7vhm.cloudfront.net/theparenthood/pages/669/attachments/original/1613473151/Final_Report_-_Making_Australia_The_Best_Place_In_The_World_To_Be_A_Parent.pdf?1613473151).

<sup>2</sup> The Front Project. (2022). *Supporting all children to thrive: The importance of equity in early childhood education*. <https://www.thefrontproject.org.au/policy-and-research/research-reports/supporting-all-children-to-thrive>.

<sup>3</sup> The Front Project (2021) *The case for high-quality early learning for all children*. The Front Project. Accessed 12 April 2022. <https://www.thefrontproject.org.au/policy-and-research/researchreports/117-the-case-for-high-quality-early-learning-for-all-children>.

<sup>4</sup> Verrelli, S., Russell, C., Taylor, E., & Xu, H. (2023). *Doorways Emergency Relief Survey Findings for the 2023 Red Shield Appeal*. The Salvation Army, Australia.



## Recommendation 1

**1.7 The Salvation Army recommends that the Commonwealth Government consider a universal childcare subsidy resourced and calculated according to individual child needs. This could be extended to include free childcare for families experiencing financial hardship, vulnerability or disadvantage.**

### Availability

- 1.8 The Salvation Army's services also identify that the availability of high-quality ECEC is not geographically consistent, and it is not widely available to families experiencing disadvantage.
- 1.9 Disadvantaged areas are least likely to have high-quality ECEC, despite children and families living in these areas being the most likely to benefit from ECEC services.<sup>5</sup> In our experience, insufficient spaces and long waitlists in some ECEC settings sees families travelling further to access ECEC, which only further contributes to unaffordability. Highly subsidised ECEC may further hinder families facing disadvantage from accessing services with insufficient ECEC spaces available.
- 1.10 The Salvation Army welcomes the Commonwealth Government's commitment to delivering ECEC in areas with higher rates of disadvantage through the Community Child Care Fund.<sup>6</sup> Further, we urge the need for funded ECEC positions for children experiencing disadvantage or vulnerabilities to ensure availability of ECEC across the Nation.

## Recommendation 2

**1.11 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to fund dedicated spaces in all ECEC centres for children experiencing disadvantage or vulnerability.**

### Flexibility

- 1.12 In The Salvation Army's experience, a lack of flexibility complicates access to ECEC for families due to a lack of appropriate service availability. For example, many parents and carers work outside of standard ECEC hours. This includes shift workers, and parents working casually and requiring ad hoc care arrangements. Further ECEC is often required on an ad hoc basis to allow parents and carers to attend appointments such as interviews and housing inspections. A lack of flexibility in centres adds an additional barrier, which ultimately impacts wellbeing.

<sup>5</sup> The Australian Early Development Census. (2022). *Australian Early Development Census National Report 2021: Early Childhood Development in Australia*. <https://www.aedc.gov.au/Websilk/Handlers/ResourceDocument.ashx?id=75ac2964-db9a-6d2b-9fad-ff0000a141dd>.

<sup>6</sup> Ministers Media Centre Ministers of the Education Portfolio. (2023, May 1). *Delivering early childhood education and care services in areas of limited supply*. <https://ministers.education.gov.au/aly/delivering-early-childhood-education-and-care-services-areas-limited-supply>.



1.13 Research conducted by The Front Project found that families are often required to adjust ECEC to work for their child, their workforce participation, and their family.<sup>7</sup> Families were subject to long waitlists and felt the need to repeatedly contact ECEC centres to ensure their prioritisation, and if a place was offered, they were required to negotiate work arrangements with employers around centre availability.<sup>8</sup> These issues around flexibility and accessibility of ECEC were found to often be the deciding factor in parents delaying their return to the workforce.<sup>9</sup>

### Recommendation 3

**1.14 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to enhance ECEC flexibility. This could include opening casual days and extended opening hours.<sup>10</sup>**

#### Support for families facing additional barriers

1.15 The Salvation Army believes that specific measures are required to address systemic disparity in accessibility to ECEC, to ensure all children receive the best possible start in life. Our experience has led us to consider the following cohorts.

#### *Families experiencing poverty*

1.16 The Australian Early Development Census (AEDC) found that children living in socio-economically disadvantaged areas had rates of developmental vulnerability up to 4.4 times greater than children from the least disadvantaged areas.<sup>11</sup> The Salvation Army's Red Shield Appeal report found that due to inadequate income, many family households could not afford social, leisure and educational opportunities for their children, or necessary medical and health care when out-of-pocket payment was required. Those respondents seeking work experienced vocational barriers and struggled to find suitable employment in the past year. Many were left reliant on government income support, supplemented by assistance from charities and community organisations to survive.<sup>12</sup>

1.17 These impacts are felt more strongly by sole parent families who are juggling to find family-friendly employment and to meet caring responsibilities. Sole parent families are less likely to be employed when compared with parents in couple families (57.6 per cent compared with

<sup>7</sup> The Front Project. (2021). *Work and play: Understanding how Australian families experience early childhood education and care*. <https://www.thefrontproject.org.au/media/attachments/2021/06/16/work-and-play-report-final.pdf>.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> The Front Project. (2021). *Work and play: Understanding how Australian families experience early childhood education and care*. <https://www.thefrontproject.org.au/media/attachments/2021/06/16/work-and-play-report-final.pdf>.

<sup>11</sup> The Australian Early Development Census. (2022). *Australian Early Development Census National Report 2021: Early Childhood Development in Australia*. <https://www.aedc.gov.au/Websilk/Handlers/ResourceDocument.ashx?id=75ac2964-db9a-6d2b-9fad-ff0000a141dd>.

<sup>12</sup> The Salvation Army. (2022). *Red Shield Appeal Report 2022: Between a Rock and Hard a Place*. 4 [https://www.salvationarmy.org.au/subscribe/sites/auesalvos/files/RSA2022/RSA22\\_Research\\_Report\\_FINAL.pdf](https://www.salvationarmy.org.au/subscribe/sites/auesalvos/files/RSA2022/RSA22_Research_Report_FINAL.pdf).



70.5 per cent for mothers and 76.2 per cent compared with 88 per cent for fathers),<sup>13</sup> and are three times more likely to live in poverty when compared to couple families.<sup>14</sup> This was more pronounced for single mother families, who make up the vast majority (81.6 per cent) of one-parent families with dependants.<sup>15</sup>

1.18 For families experiencing poverty and economic disadvantage, the costs associated with childcare can act as significant barriers to accessing services. This is an increasing concern with rising costs of living. Acknowledging the consideration of a universal childcare subsidy, we believe that families experiencing poverty can be supported to access ECEC through social support payments and subsidies. We draw attention to the following:

- **Child Care Subsidy (CCS):** Our frontline services report that the requirements of the CCS activity test act as a strong inhibitor for families who are facing poverty or other hardships. Fulfilling the work or study requirements can be difficult for families who are struggling to meet their immediate needs such as housing or food. In line with the recommendation of the Interim Economic Inclusion Advisory Committee and Thrive by Five, we urge the Government to abolish the activity test to ensure the subsidy is accessible for all families.<sup>16</sup> Abolishing the activity test would ensure all children benefit from ECEC regardless of parent activity.<sup>17</sup> According to Impact Economics and Policy this could benefit approximately 126,000 Australian children from low-income families who are currently unable to access ECEC.<sup>18</sup>
- **Additional CCS (ACCS):** The Salvation Army welcomes the government's commitment to improving access to the ACCS. According to our services, the ACCS is becoming increasingly difficult for families to access, and the 13 weeks of additional subsidised care is inadequate for families to overcome financial crises or engage meaningfully with services to remediate their circumstances. Ultimately, families are required to apply repeatedly for extensions. The process of gathering supporting evidence adds an administrative burden and stress to both the supporting services, and families who are already facing hardship and other stressors.
- **Jobseeker Payment.** The current rate of the Jobseeker Payment is such that children and families are unable to live with dignity. There is a strong correlation between this type of financial hardship in the first thousand days of a child's life and adverse health and wellbeing outcomes in later life including poor educational and employment outcomes.<sup>19</sup>

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<sup>13</sup> Australian Bureau of Statistics. (2020, October 16). *Labour Force Status of Families*.

<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-status-families/latest-release>.

<sup>14</sup> Davidson, P., Bradbury, B., and Wong, M. (2020). *Poverty in Australia 2020: Part 2, Who is affected?* ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS.

<sup>15</sup> Australian Bureau of Statistics. (2020, October 16). *Labour Force Status of Families*.

<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-status-families/latest-release>.

<sup>16</sup> Interim Economic Inclusion Advisory Committee. *2023-24 Report to the Australian Government*.

<https://ministers.treasury.gov.au/sites/ministers.treasury.gov.au/files/2023-04/eiac-report.pdf>.

Thrive by Five. (2022). *Removing Activity Test for Child Care Subsidy Critical to Accessible Early Learning*.

<https://thrivebyfive.org.au/news/removing-activity-test-for-child-care-subsidy-critical-to-accessible-early-learning/>.

<sup>17</sup> Impact Economics and Policy. (2022). *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*.

[https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report\\_FINAL.pdf](https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report_FINAL.pdf).

<sup>18</sup> Ibid.

<sup>19</sup> Royal Children's Hospital Melbourne. (2019). *Strong Foundations: Getting it Right in the First 1000 Days A Case for Investment*. 28

<https://www.rch.org.au/uploadedFiles/Main/Content/ccchdev/The-First-Thousand-Days-A-Case-for-Investment.pdf>.

- **Parenting Payment Single (PPS).** The Salvation Army recommends allowing single parents to stay on the PPS until their youngest child turns 16 and increasing those payments to match the single Age Pension. The scarcity of family-friendly employment and childcare means that single parent families are forced to live on the much lower Jobseeker Payment through no fault of their own. Increasing the age to 16 would also benefit single parent victim-survivors of family and domestic violence (FDV), half of whom are reliant on government payments as their main source of income.<sup>20</sup> The Salvation Army's FDV services work with many victim-survivors who have no income, either due to caring responsibilities or coercion by the perpetrator to quit their job. This cohort often leave a violent relationship with no income and very little savings and become reliant on government payments.

#### **Recommendation 4**

**1.19 The Salvation Army recommends that the Commonwealth Government remove the Activity Test for the Child Care Subsidy and extend the Additional Child Care Subsidy period.**

#### **Recommendation 5**

**1.20 The Salvation Army recommends that the Commonwealth Government immediately and meaningfully increase the rate of the Jobseeker Payment to ensure that recipients can live with dignity.**

#### **Recommendation 6**

**1.21 The Salvation Army recommends that the Commonwealth Government allow parents to stay on the Parenting Payment Single until their youngest child turns 16 and increase the payment to match the single Age Pension.**

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<sup>20</sup> Summers, A. (2022). *The Choice: Violence or Poverty*. [https://assets.website-files.com/62b998c0c9af9f65bba26051/63228540ce74a60866ee4e98\\_TheChoice-violence-or-poverty-web.pdf](https://assets.website-files.com/62b998c0c9af9f65bba26051/63228540ce74a60866ee4e98_TheChoice-violence-or-poverty-web.pdf).

### *Families who are culturally and linguistically diverse (CALD)*

1.22 People from CALD backgrounds make up approximately 80 per cent of the people we support at our Balga Corps early years' service in Western Australia. These families are often navigating complex housing and employment systems with English as an additional language and minimal culturally appropriate support. Families on certain temporary visas are further restricted from accessing many social support payments and subsidies. This leaves little headspace to consider ECEC options.

“Since we are refugees and due to our visa status, we're not eligible for any governmental help. I lost my job during Covid, my husband is just an apprentice, and we have a 2-year-old baby. Our condition is pretty tough, and we cut off our own expenses and if anything, barely left from the basic needs, we spend it for our baby. We cannot have birthday parties, we can't buy clothes, we cut off meat, our savings was finished 2 years ago, we're just alive but we don't live”

- A Salvation Army Survey Respondent

1.23 Our services have also identified a significant gap in ECEC service providers' understanding of diverse cultures' approaches and beliefs related to caring for and educating children, parenting, health and wellbeing. We urge all governments to act on the need for greater cultural education across the ECEC system to ensure culturally inclusive service provision.

#### **Recommendation 7**

**1.24 The Salvation Army recommends that the Commonwealth Government work with state and territory governments to fund culturally appropriate support to assist families from CALD backgrounds to navigate Australia's early years systems. This could include broadening access to payments and subsidies, support to navigate health and education systems, and multilingual information materials.<sup>21</sup>**

#### **Recommendation 8**

**1.25 The Salvation Army recommends that the Commonwealth Government work with state and territory governments to enhance ECEC services' cultural competencies and understanding related to alternative approaches.**

<sup>21</sup> Dundas, R., and Depers, L. *Children at the Centre – Insights for development of a national Early Years Strategy*. ARACY 2023.



### *Children living with a disability, additional, or special needs*

- 1.26 For children with disability or additional needs, it is widely acknowledged that the earlier the intervention, the greater the trajectory of their development into the future.<sup>22</sup> Our experience is that children and families impacted by disability or developmental delay face significant barriers to accessing appropriate supports in the early years. The onus is placed on parents and caregivers to navigate complex systems such as healthcare, early intervention supports, and disability supports to better understand and meet their child's developmental needs. This is further exacerbated by long healthcare waitlists – up to 18 months in certain areas, or a complete lack of appropriate local services.
- 1.27 The Salvation Army's early years services have reported that the evidentiary burden, long waitlists, and shortage of affordable support mean that families are simply unable to access early intervention in a timely manner, if at all. Our services identify that without a diagnosis, ECEC centres are unable to access additional funding to meet a child's learning and developmental needs. This negatively impacts children's immediate and long-term developmental needs and outcomes.

### **Recommendation 9**

**1.28 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to increase availability and accessibility of affordable healthcare in the early years.**

### *Children with an experience of family and domestic violence*

- 1.29 Experiencing family and domestic violence has been linked to lifelong harms for children and those around them, including psychological and behavioural impacts, health and socioeconomic impacts, and to intergenerational violence and re-victimisation.<sup>23</sup>
- 1.30 Recent research conducted by The Salvation Army found that:
- Respondents affected by family violence struggled financially, were more likely unable to afford basic living expenses, and were frequently unable to afford items for their children.
  - One in four respondents (24 per cent) were unable to afford three meals a day, or prescribed medicine for their children, and 33 per cent could not afford a yearly dental check-up for their children.
  - Approximately seven in 10 respondents impacted by family violence reported that their children struggled in the past year with challenges such as social isolation and mental ill-health.<sup>24</sup>

<sup>22</sup> National Disability Insurance Scheme. (2022). *The early childhood approach for children younger than 7*. <https://www.ndis.gov.au/understanding/families-and-carers/early-childhood-approach-children-younger-7>.

<sup>23</sup> Richards, K. (2011). Children's exposure to domestic violence in Australia. *Trends & issues in crime and criminal justice*. No. 419. Canberra: Australian Institute of Criminology. <https://www.aic.gov.au/publications/tandi/tandi419>.

<sup>24</sup> The Salvation Army. (2022). Red Shield Appeal Report 2022: Between a Rock and Hard a Place. [https://www.salvationarmy.org.au/subscribe/sites/auesalvos/files/RSA2022/RSA22\\_Research\\_Report\\_FINAL.pdf](https://www.salvationarmy.org.au/subscribe/sites/auesalvos/files/RSA2022/RSA22_Research_Report_FINAL.pdf).



1.31 The Salvation Army's family and domestic violence services acknowledge that access to universal ECEC has significant potential benefits for women and children with an experience of family and domestic violence including increased capacity for women to engage with services and supports, reduced financial pressures, and increased visibility of children at risk of family and domestic violence when regularly attending ECEC. There remain however significant barriers to engagement in ECEC for victim-survivors of family and domestic violence. These include but are not limited to:

- **CCS.** The CCS is assessed according to the income of both parents and can fail to recognise that many women have no access to income despite their partner's high earnings exceeding the assessment threshold. Further, the subsidy only applies to one parent, and where shared care arrangements are in place, a victim-survivor of family and domestic violence can end up paying for childcare costs for the time a child is with their father. Mary's story is an example of this.

### Mary's\* Story

Mary and John were married for 14 years and have two children aged four and seven. Mary works part-time outside of the home, and John works full-time from home. Throughout their marriage, John perpetrated coercive control, verbal, and physical abuse.

After separation, Mary and John engaged in mediation to finalise a parenting agreement where John pays parenting support through Centrelink. John's child support payments are calculated based on both income and per centage of care and are to cover all costs including childcare. John and Mary initially agree to 50/50 shared care of their children.

Over time, John makes repeated changes to the care arrangements to accommodate his personal circumstances. John then requests a new change which results in the children needing two additional days of childcare. This cost is Mary's responsibility; however, she will not receive any additional child support, and John refuses to pay for the additional childcare.

*\*Names changed*

- **Relocating.** Victim-survivors of family and domestic violence are often forced to relocate for their own safety, or to access housing. Limited vacancies and funded positions in childcare can compound stressors during this period for victim-survivors, who can find it difficult to find ECEC for their children.
- **The absence penalty.** Currently, families can receive the CCS when their child is absent from ECEC for a period of up to 42 days per financial year, with the potential to access up to an additional 28 days in the case of an emergency.<sup>25</sup> For victim-survivors, satisfying this requirement can act as an additional stressor when there is no suitable ECEC available. Further, for children with additional needs or facing disadvantage, the lack of subsidy can cause ECEC to become unaffordable, and ultimately increase risk of harm.

<sup>25</sup> Department of Education. (2022). *Absences from Child Care*. <https://www.education.gov.au/child-care-package/child-care-subsidy/absences#toc-additional-absences>.



## Recommendation 10

**1.32 The Salvation Army recommends that the Commonwealth Government work with state and territory governments to invest in social housing specifically for victim-survivors of family and domestic violence.**

## Recommendation 11

**1.33 The Salvation Army recommends that the Commonwealth Government review the Child Care Subsidy and the Absence Penalty, to ensure they are inclusive of and consider victim-survivors of family and domestic violence.**

### Integrated services that facilitate parent and community engagement

1.34 The Salvation Army believes that inclusive ECEC services are integrated, and support the needs of not only children, but their families and communities. A lack of support to parents and caregivers as they transition into parenthood and navigate caring for young children has been linked with outcomes that result in lower lifetime earnings, poorer health and wellbeing outcomes for parents, reduced workforce participation (particularly for women), and lower rates of fertility, which undermine the long-term sustainability of government finances.<sup>26</sup>

1.35 ECEC services need to be:

- **Integrated and holistic.** Considering whole-of-family needs can further work to break down silos in the early years system through co-located supports, which families experiencing disadvantage are more likely to access.<sup>27</sup>
- **Localised and place-based,** recognising that a one-size-fits-all approach fails to acknowledge the diversity of local communities, and is unlikely to be effective in addressing barriers to engagement. Local communities know the outcomes they need, and how to best achieve them.<sup>28</sup> This approach allows ECEC services to be responsive to local cultural, economic, and social needs and to build on existing resources and strengths to develop local capabilities and deliver support in areas of need for greatest impact.<sup>29</sup>

<sup>26</sup> The Parenthood. (2021). Making Australia the Best Place in the World to be a Parent. [https://d3n8a8pro7vhnmx.cloudfront.net/theparenthood/pages/669/attachments/original/1613473151/Final\\_Report\\_-\\_Making\\_Australia\\_The\\_Best\\_Place\\_In\\_The\\_World\\_To\\_Be\\_A\\_Parent.pdf?1613473151](https://d3n8a8pro7vhnmx.cloudfront.net/theparenthood/pages/669/attachments/original/1613473151/Final_Report_-_Making_Australia_The_Best_Place_In_The_World_To_Be_A_Parent.pdf?1613473151).

<sup>27</sup> Centre for Policy Development. (2021). *Starting Better Report*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>.

<sup>28</sup> Dundas, R., and Depers, L. *Children at the Centre – Insights for development of a national Early Years Strategy*. ARACY 2023.

<sup>29</sup> Centre for Policy Development. (2021). *Starting Better: A Guarantee for Young Children and Families*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>

Moore, T.G, and Fry, R. (2011). *Place-based approaches to child and family services: A literature review*. Parkville, Victoria: Murdoch Children's Research Institute and The Royal Children's Hospital Centre for Community Child Health.



1.36 The Salvation Army has seen great outcomes in adopting these principles through our Communities for Children (CfC) FamilyZone Hub initiative in Ingle Farm.

### FamilyZone – Ingle Farm

The FamilyZone in Ingle Farm was developed in 2005 following consultations conducted by the Salisbury CfC initiative. The service is located on site at Ingle Farm Primary School in the north of Adelaide Metro.

The FamilyZone is an innovative and progressive model of engagement with families with children at risk of abuse or neglect. The service offers integrated support facilitated by several professionals and agencies operating in a co-located space. This models a 'one-stop-shop' concept, seeking to provide a 'soft, single-point entry' for stressed and isolated families, and to avoid stigmatisation of families who are experiencing vulnerability. Services include perinatal, mental health, family violence, and parenting supports, as well as home visiting programs, playgroups and educational opportunities.

Improved outcomes have been measured through the AEDC following the establishment of the FamilyZone. 2006 data showed that Ingle Farm had the highest proportion of children experiencing vulnerability in one or more domains of all the suburbs within the Salisbury CfC site and the northern suburbs of Adelaide. In 2012, Ingle farm saw a reduction of approximately one third of children experiencing vulnerability in one or more domain. Additionally, FamilyZone has been measured to improve long-term educational outcomes. Children who received support between 2007 and 2010 undertook NAPLAN in 2015. In 2015 and subsequent years, Ingle Farm Primary School NAPLAN average score showed a substantial increase.

The FamilyZone highlights the need for children to grow up in supportive communities. It has demonstrated the ability to influence child and family outcomes and facilitate smooth transitions in the early years for the better through integrated, holistic and place-based care.<sup>30</sup>

### Recommendation 12

**1.37 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to develop incentives to integrate and co-locate ECEC services and early years supports.**

<sup>30</sup> Nova Smart Solutions. (2019). *The Family Centre Approach to Early Intervention and Prevention*. [https://www.salisburyc4c.org.au/\\_files/ugd/8930ed\\_cd564efd88c24daf8bfa83287d348277.pdf](https://www.salisburyc4c.org.au/_files/ugd/8930ed_cd564efd88c24daf8bfa83287d348277.pdf).





## Exploring alternative learning models

- 1.38 The Salvation Army believes alternative models of ECEC can further enhance sector inclusivity. A one-size-fits-all approach fails to acknowledge the diverse learning and development needs of children and families. We have seen great engagement in our Family Place in Logan Queensland, providing an alternative model of learning centred around play.

### **Family Place -Logan QLD**

The Family Place is a community centre with a focus on child development and family engagement in the context of complex trauma. The Family Place focusses on prevention, early support, and smooth transitions in the early years, through engaging families and children in play-based activities. Because the family is engaged as a unit, the Family Place can develop a broader support network for parents.

The centre offers indoor and outdoor facilities that can be accessed by families, and facilitates playgroups, art and craft social groups, young parent mentoring programs and school holiday programs. The Family Place also offers educational skills programs including Circle of Security, 123 Magic and Bringing Up Great Kids. The Family Place also partners with other services including psychology and counselling services, allied health supports, and pre-employment support for parents.

While traditional ECEC sees families outsourcing learning to ECEC centres, The Family Place model offers an alternative, where parents are responsible for their children and learn alongside them. The model goes beyond childcare and facilitates parents taking learnings into the home.

The Family Place adopts a collectivist thinking model, engaging all people involved in the development of the child, and offers a less confrontational way to access and engage with on-site services. The Family Place has seen good engagement from CALD families who may come with a differing perspective and understanding of what it means to educate and care for children, which in our experience, can limit engagement with traditional ECEC models.

- 1.39 In exploring alternative education models, the approved care types under the CCS and National Quality Framework must also be reviewed, to ensure that alternative models are eligible to receive funding and subsidies as ECEC centres.

### **Recommendation 13**

- 1.40 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to explore and introduce alternative learning models of ECEC.**

## 2 Enhancing Workforce Participation

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2.1 The ABS reports that the most common reason women were unavailable to start a job or work more hours within four weeks was 'caring for children.'<sup>31</sup> While accessing childcare appears to be the logical solution, the lack of affordable and accessible childcare is restricting women from securing full employment. Furthermore, structural factors are also impeding women's ability to participate fully in Australia's workforce.

### Valuing the work of women

2.2 It is vital to increase women's workforce participation for Australia's economic prosperity.<sup>32</sup> Australia is facing a significant labour and skills shortage, with the National Skills Commission forecasting that by 2026, the economy will require an additional 1.2 million jobs, with female dominated industries experiencing the biggest increases.<sup>33</sup> However, due to Australian women carrying the economy's unpaid care burden, women participate in 43 per cent less paid work than Australia men, while undertaking 81 per cent more unpaid work than men.<sup>34</sup> Women are more likely to take time out of the workforce, or work reduced hours to care for children. This comes at a cost in personal lifetime earnings and savings. It is evidenced that Australian women retire on average with over 40 per cent less superannuation than men.<sup>35</sup>

2.3 Closing this gap and increasing women's workforce participation will significantly address the current skills shortage in the country and have long-lasting impacts on the economy. However, it requires stronger commitment by the government through reforms to address structural factors. This includes:

- **Investing in female-dominated industries.** This particularly applies to the care sector, which is experiencing the largest skills shortage across the country, with further forecasted growth. For example, according to the National Workforce Census, women make up 92.1 per cent of the ECEC workforce.<sup>36</sup>
- **Amending tax and family benefit policies to free women from unpaid caring roles.** Fringe benefit tax concessions that are currently available in certain sectors, allow employees to access generous salary packaging allowances. We suggest that extending these concessions, such as the salary sacrificing arrangements available to the not-for-profit

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<sup>31</sup> Australian Bureau of Statistics. (2022). *Barriers and Incentives to Labour Force Participation, Australia*. <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/latest-release>.

<sup>32</sup> Jackson, Dr. A. (2022). *Addressing Australia's Critical Skill Shortages: Unlocking Women's Economic Participation*. <https://apo.org.au/node/317749>.

<sup>33</sup> Australian Government National Skills Commission. (2022). *Projecting employment to 2026*. <https://www.nationalskillscommission.gov.au/insights/projecting-employment-2026>.

<sup>34</sup> Jackson, Dr. A. (2022). *Addressing Australia's Critical Skill Shortages: Unlocking Women's Economic Participation*. <https://apo.org.au/node/317749>.

<sup>35</sup> Women in Super. (n.d.). The facts about women and super. *Women in Super*. <https://www.womeninsuper.com.au/content/the-facts-about-women-and-super/gjumzs>.

Riach, K., O'Hare, C., Dalton, B. & Wang, C. (2018). *The Future Face of Poverty is Female*. Australian Super. Workplace Gender Equality Agency. (2017). *Women's economic security in retirement* (Insight Paper).

<sup>36</sup> Social Research Centre. (2022). *2021 Early Childhood Education and Care National Workforce Census*. <https://www.education.gov.au/child-care-package/resources/2021-early-childhood-education-and-care-national-workforce-census-report>.

sector, to cover all female-dominated industries could significantly increase take-home income for women.

- **Expanding the Commonwealth Paid Parental Leave scheme for all parents.** We welcome the Commonwealth Government's commitment to promoting equity and enhancing the accessibility and flexibility of its Paid Parental Leave scheme for families following the birth or adoption of a child. The Salvation Army's submission to the Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022 includes further recommendations, including a single-family application form and extension of a shared entitlement of up to one year of full wage replacement.<sup>37</sup> There is also scope for Australian governments to increase the current financial support available to parents and carers. We suggest that one part of the solution is for Governments to collaborate with employers to encourage superannuation contributions during periods of parental leave.

#### **Recommendation 14**

- 2.4 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments, the Fair Work Commission, and unions to increase pay rates by 0.5 per cent over and above the general pay increase in the significantly female-dominated health care and social assistance, and education and training sectors.<sup>38</sup>**

#### **Recommendation 15**

- 2.5 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to expand tax concessions to all workers in female dominated industries, including health, social services, and education sectors.**

<sup>37</sup> The Salvation Army Australia. *Paid Parental Leave Amendment (Improvements for Families and Gender Equality) Bill 2022, January 2023*. [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/PaidParentalLeave2022/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/PaidParentalLeave2022/Submissions).

<sup>38</sup> Economic Security 4 Women. (2021). Recommendation Paper: *Women and the Future of Work*.

[https://www.security4women.org.au/wp-content/uploads/2021/05/eS4W-Future-of-Work-Recommendation-Paper\\_20210430.pdf](https://www.security4women.org.au/wp-content/uploads/2021/05/eS4W-Future-of-Work-Recommendation-Paper_20210430.pdf).



## Recommendation 16

- 2.6 The Salvation Army recommends that the Commonwealth Government work with state and territory governments and the private sector to make superannuation mandatory for all paid and unpaid parental leave. All levels of government could set an example by paying superannuation for paid and unpaid periods of parental leave to public sector workers, and female dominated industries including health, social services and education.**

### Combatting disincentives to workforce engagement

- 2.7 Australia has the third highest gross childcare fees of all OECD countries, with households spending, on average, 31 per cent of their income on childcare.<sup>39</sup> For those families having to fit this bill in order to work, further penalties apply when it comes to increasing work days. According to Professor Rebecca Cassells, deputy director of the Bankwest economic centre, "Secondary earners are looking at our removal of around 90 cents in the dollar if they go from working three days to four days."<sup>40</sup> Furthermore, this disincentive typically impacts women due to the gender pay gap, and further penalises families earning extra income through increased tax.
- 2.8 A further disincentive to workforce participation is the reduction or cancellation of income support payment benefits. In our long-standing experience delivering employment service programs, we have observed first-hand how many parents are disincentivised to secure employment due to concerns they may be financially worse off once they start declaring earnings to Services Australia. Benefits such as rental support, concession and health care cards, and childcare subsidies are reduced and cancelled once earnings exceed a certain level. This kind of disincentive can lead to underemployment or long-term unemployment and is having a direct impact on workforce participation for not only parents, but all jobseekers. We recommend that the transition from JobSeeker to employment be smoothed and that the earnings cap be significantly increased to address this disincentive.

## Recommendation 17

- 2.9 The Salvation Army recommends that the Commonwealth Government review income support payment benefits to allow jobseekers to smooth the transition into work including by increasing the earning cap.**

<sup>39</sup> OECD Family Database. PF3.4, updated April 2022, <https://www.oecd.org/social/family/database.htm>.

<sup>40</sup> ABC News. (2020, October 12). *Childcare costs keeping parents out of work and hurting the economy*. <https://www.abc.net.au/news/2020-10-12/childcare-costs-keep-women-out-of-work/12753432>.

## 3 Investment in the ECEC Sector

### Funding the not-for-profit (NFP) sector

- 3.1 In The Salvation Army's experience, the higher costs of and more selective admission criteria of private ECEC sees the responsibility of care and service provision to families experiencing disadvantage or vulnerability disproportionately fall on NFP ECEC centres. This poses significant financial implications and resourcing pressures on not-for-profit centres which are working to deliver high-quality services with limited financial capacity.
- 3.2 In 2022, 51 per cent of Australia's ECEC services were delivered by for-profit providers, with not-for-profit (community and other organisation led) and government services making up 33 per cent and 11 per cent respectively.<sup>41</sup> In 2022, only 15 per cent of private ECEC services were exceeding National Quality Standards (NQS), whereas 38 per cent of private NFP community managed, and 27 per cent of private NFP other organisations were exceeding the NQS. 50 per cent of government managed ECEC were also exceeding the NQS.<sup>42</sup>
- 3.3 We urge the need for increased government investment in the public and not-for-profit ECEC sector, and that this needs to occur in the form of funding and grants outside of the CCS.

#### **Recommendation 18**

- 3.4 The Salvation Army recommends that the Commonwealth Government work alongside state and territory governments to increase investment and funding to the not-for-profit and public ECEC sector.**

### Investing in the workforce

- 3.5 The ECEC workforce is in crisis - characterised by staff shortages, high turnover and stress.<sup>43</sup> This is of grave concern when the wellbeing and education of children in ECEC is linked with the qualification and wellbeing of the ECEC workforce.<sup>44</sup> Not investing in building a strong ECEC workforce, not only causes immediate disruption in staff to child relationships and quality of delivered programs, but can undermine the benefits of ECEC for children in the long-term.<sup>45</sup>

<sup>41</sup> Australian Children's Education and Care Quality Authority. (2023, February). *NQF Snapshot: Q4 2022*. [https://www.acecqa.gov.au/sites/default/files/2023-02/NQF\\_Snapshot\\_Q4\\_2022.pdf](https://www.acecqa.gov.au/sites/default/files/2023-02/NQF_Snapshot_Q4_2022.pdf).


<sup>42</sup> Ibid.

<sup>43</sup> Thrive by Five. (Undated). *Workforce Action Plan*. [https://thrivebyfive.org.au/wp-content/uploads/2022/08/tb5\\_200722\\_workforce\\_plan\\_A5\\_digital-1.pdf](https://thrivebyfive.org.au/wp-content/uploads/2022/08/tb5_200722_workforce_plan_A5_digital-1.pdf)

<sup>44</sup> Australian Children's Education and Care Quality Authority. (2021, September). *Shaping our Future: A ten-year strategy to ensure a sustainable, high-quality children's education and care workforce 2022-2031*. <https://www.acecqa.gov.au/sites/default/files/2021-10/ShapingOurFutureChildrensEducationandCareNationalWorkforceStrategy-September2021.pdf>.

<sup>45</sup> Thrive by Five. (Undated). *Workforce Action Plan*. [https://thrivebyfive.org.au/wp-content/uploads/2022/08/tb5\\_200722\\_workforce\\_plan\\_A5\\_digital-1.pdf](https://thrivebyfive.org.au/wp-content/uploads/2022/08/tb5_200722_workforce_plan_A5_digital-1.pdf)



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- 3.6 The Salvation Army's early years services report that wages in the ECEC sector are amongst the lowest, despite the workforce working in the most important years of child development. This is not congruent.
- 3.7 There is also a need for greater levels of professional development throughout the ECEC workforce, with emphasis on trauma-informed practice, working alongside statutory organisations, and working with children and families experiencing disadvantage or vulnerabilities. The Salvation Army's Balga service highlight difficulty for staff in finding time to engage with professional development when they are required to provide eight hours of care, clean, and develop curriculum and lesson plans. As a not-for-profit and mission-driven centre, professional development is also considerably costly to access.
- 3.8 The Salvation Army welcomes the commitment of the Commonwealth Government to delivering \$72.4 million over five years to support the training and development of the ECEC workforce and the provision of backfill arrangements to assist in uptake.<sup>46</sup> We also draw attention to the Victorian Department of Health initiative where from 2023 to 2024 free training, degrees and upskilling is being provided for nurses and midwives.<sup>47</sup> A similar initiative adopted in the ECEC sector could see further enhanced staffing and ECEC quality.

#### **Recommendation 19**

- 3.9 The Salvation Army recommends that the Commonwealth Government increase wages for ECEC workforce staff. This could be through an ERO, to build the salaries of the ECEC workforce over time.**

<sup>46</sup> Ministers' Media Centre Ministers of the Education Portfolio. (2023, May 3). *Delivering a sustainable early education and care sector*. <https://ministers.education.gov.au/aly/delivering-sustainable-early-education-and-care-sector>.

<sup>47</sup> Department of Health. (2022). *Study nursing and midwifery free from 2023*. <https://www.health.vic.gov.au/news/studying-nursing-and-midwifery-free-from-2023>.



## 4 Conclusion

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- 4.1 The Salvation Army thanks the Productivity Commission for the opportunity to provide a written submission to the inquiry into Early Childhood Education and Care in Australia.
- 4.2 The Salvation Army would welcome the opportunity to discuss the content of this submission should any further information be of assistance. Further information can be sought at [government.relations@salvationarmy.org.au](mailto:government.relations@salvationarmy.org.au).

**The Salvation Army Australia Territory**

**19<sup>th</sup> May 2023**



## Appendix A About The Salvation Army

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The Salvation Army is an international Christian movement with a presence in more than 130 countries. Operating in Australia since 1880, The Salvation Army is one of the largest providers of social services and programs for people experiencing hardship, injustice and social exclusion.

The Salvation Army Australia provides more than 1,000 social programs and activities through networks of social support services, community centres and churches across the country.

Programs include:

- Financial counselling, financial literacy and microfinance
- Emergency relief and related services
- Homelessness services
- Youth services
- Family and domestic violence services
- Alcohol, drugs and other addictions
- Chaplaincy
- Emergency and disaster response
- Aged care
- Employment services
- Children and family services

As a mission-driven organisation, The Salvation Army seeks to reduce social disadvantage and create a fair and harmonious society through holistic and person-centred approaches that reflect our mission to share the love of Jesus by:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

Further information about The Salvation Army can be accessed at: <  
<https://www.salvationarmy.org.au/>>

