



Productivity Commission
Locked Bag 2, Collins St East
Melbourne Vic 8003, Australia

By email: childhood@pc.gov.au

14 February 2024

Dear Commissioners,

Submission to the draft report on early childhood education and care

Thank you for the opportunity to respond to the Productivity Commission's draft report on a pathway to universal early childhood education and care.

Uniting NSW.ACT is the social services and advocacy arm of the Synod of the Uniting Church in New South Wales and Australian Capital Territory. We provide innovative and person-centred services that in 2023 supported over 130,000 people at all stages of their lives, including children, young people and families, older people, and people with disability.

In making this submission, we are drawing particularly on our experience as a provider of early learning, consisting of over 50 pre-schools, long day care and out-of-school-hours care services with over 4,200 enrolled children.

Overall, we strongly support a shift to universal access to quality early learning as a policy goal of the Australian government, and of governments at all levels in Australia. We welcome the recommendations in the Commission's draft report, including universal minimum access in the year before school, and the need to improve inclusion and supply (including via workforce development and addressing financial barriers. We encourage the Commission to be even more ambitious, and to consider recommendations to:

- Abolish the activity test within the Child Care Subsidy (CCS).
- Pay greater attention to non-financial barriers to access.
- Provide financial and regulatory support to develop new models of quality early learning that are appropriate to cultural and geographic communities which are currently not well-served.
- Ensure children and families are given a voice to inform and shape the early childhood education and care (ECEC) sector.

Thank you for the opportunity to contribute. If you would like any more information, please contact Dr Tom McClean, Head of Research and Social Policy, at

Head Office

ABN 78722 539 923
Level 4 / 222 Pitt Street
Sydney NSW 2000

PO Box A2178
Sydney South NSW 1235

T 1800 864 846
E ask@uniting.org

Yours sincerely,

Jennine Blundell
Director Communities (Acting)

Submission on the Draft Report on a Pathway to Universal Early Childhood Education and Care

Uniting NSW.ACT welcomes the opportunity to respond to the Productivity Commission's draft findings and recommendations on a pathway to universal early childhood education and care.

We believe governments at all levels in Australia should ensure all children have access to quality early learning as a human right. We need to move beyond the current approach, which emphasises subsidising child-care so parents can return to work. This remains a valid and important goal, but it is reaching the limits of its effectiveness. A small but significant proportion of children are not meeting policy goals for participation. Unfortunately, it is often those who would benefit most who miss out. Promoting participation in quality early learning requires more than money: we need new models of quality early learning, delivered in ways that work with communities, and supported by the right workforce and by systems that address non-financial barriers to access.

From that perspective, we welcome the recommendations in the Commission's draft report, including universal minimum access in the year before school, and the need to improve inclusion and supply (including via workforce development and addressing financial barriers). We also support the recommendations around:

Cultural safety in ECEC services

- ECEC-related vocation education and training
- Effectiveness of traineeship arrangements
- Falling completion rates for early childhood teaching qualifications
- Lower rates of expansion among not-for-profit providers
- Potential modifications to the activity test
- Child care subsidy tapers

Potential expansions to CCS and other funding

- Regulatory actions against serial underperformers

Support for services to meet the National Quality Standard (NQS)

- Scope of broader funding reform
- An ECEC Commission

We encourage the Commission to consider being even more ambitious. In particular, we recommend that the Australian government:

- Abolish the activity test within the Child Care Subsidy.
- Pay greater attention barriers to access other than fees, out-of-pocket costs and the non-financial barriers posed by distance, disability, and language.
- Provide financial and regulatory support to develop new models of quality early learning that are appropriate to cultural and geographic communities which are currently not well-served.
- Ensure children and families are given a voice to inform and shape the ECEC sector ongoing and at a local level, not merely through occasional high-level public consultations.

- support the use of lived experience and expertise through empowering community members' access to education and training, to become educators for their own communities.

In making these recommendations, we are drawing on our experience as a provider of several different kinds of services relevant to this review. We are a provider of quality early learning across NSW and the ACT, consisting of over 50 pre-schools, long day care centres and out-of-school-hours care services with over 4,200 enrolled children. We are also a large provider of a range of early intervention services, many of which support families who are experiencing vulnerability or disadvantage to engage with early learning. These include:

- Links to Early Learning (L2EL), an innovative program we have piloted and evaluated in South West Sydney and now Coffs Harbour/Nambucca Valley, to support families overcome the non-financial barriers to early childhood education program
- We are a partner with Goodstart Early Learning in implementing the Early Learning Fund, which seeks to address the full range of financial barriers for individual families living with several recognised categories of vulnerability.
- Several place-based initiatives focussed on building community connection and capacity for early intervention and ECEC participation including Aboriginal Families Together in Nambucca Valley and Dubbo, Becoming U Project in the Nambucca Valley, Firefly Bay & Basin in Vincentia.

We would be pleased to provide more information on any of these initiatives. Our insights and recommendations in response to the draft report are outlined below.

Shifting to universal access to quality early learning as the policy goal

Our discussion paper, [*More than money*](#), argues that the current approach to early childhood education and care (ECEC) has reached the limits of its effectiveness. The emphasis on subsidising fees alone as a way of facilitating parents' participation in work limits the value of ECEC to 'childcare' and fails to recognise the critical role of ECEC for children, families and communities including its potential to address inequity and intergenerational disadvantage. To achieve this, we must pay attention to issues of supply and non-financial barriers to access. Improving participation specifically in early learning, through navigational supports and early intervention is key to meeting families' needs more holistically. Early learning services should also be empowered to engage with local communities and integrate with local service systems. An inclusive society invites and facilitates each person to be actively involved within it, and this should be based on fundamental values of equity, equality, human rights, and social justice¹.

Abolish requirements to seek work

One way to achieve this would be to abolish the activity test within the Child Care Subsidy. This effectively imposes an additional burden on parents who are already struggling with social and economic exclusion, and makes it harder for them to prioritise the developmental needs of their children. We support the position of the Secretariat of National Aboriginal and Islander Child Care (SNAICC), that this particularly affects First Nations communities. The removal of the activity cap should not be accompanied by any qualification or limitation.

Supporting parents who wish to return to work with more flexible work and care options

The current policy goal for the early childhood education and care system emphasizes supporting parents to return to work, primarily through fee subsidies. It tends to neglect other policy goals (such as finding high quality education that meets their needs) and other issues (including supply constraints, other financial considerations, and non-financial barriers).

It places responsibility for managing these competing demands and issues on the shoulders of parents, under the banner of “choice”. However, in our experience, this tends to benefit families who already have the resources and opportunities to make meaningful choices. Children and families who would benefit most from high quality services have the least access and choice to services that they need.

Parents first and foremost make a straightforward financial decision, and are reluctant to do this where the cost of early childhood education and care exceeds the caregiver’s expected income. It is not possible to separate financial and non-financial considerations, however: even those who expect to be better off may face barriers, including finding both work and care that are accessible and flexible and finding a service where they feel their children are safe and, in a position, to benefit educationally and socially from the experience.

Paying greater attention to non-financial barriers to access

Flexible service delivery models will encourage community participation

There are significant differences in access to quality early learning across Australia. These differences are partly geographic: there are not enough services in regional and rural areas. Even in areas with more services some families, particularly those with a disability or from diverse backgrounds (including refugee and asylum-seeking backgrounds), are unable to access quality education and care. The underlying cause is partly structural: the service system is set up within a profit-driven market without legislation to ensure equitable access and appropriate supports for each community to access local services.

The traditional fixed-place, purpose-built Long Day Care model that has been used since the 1990s does not meet the needs and familial preferences of all communities due to its institutional format of replicating formal, regimented school-based education. Flexible models of service delivery that reflect the rural Australian setting and the lived experiences of children/families by providing mobility in location and innovation in curriculum delivery, will encourage community participation. When parents/guardians make choices for young children, they need to be able to see themselves and the lives they lead and the goals for their children reflected in the model.

Shortage of bilingual staff/professionals within the community and lack of information in multiple languages other than English are major barriers to inclusion

There is a great deal of information available on the early learning system, however the form in which it is available constitutes a significant barrier for many families. Language is a major barrier, particularly in parts of Western Sydney where only 48.1% of households have English as the main language. As one of the most multicultural countries in the world, we should provide information about services in community languages. Where

possible, bilingual staff and/or workers who are community members should be recruited and trained to facilitate conversations about decision-making in early childhood services.

Inclusivity in ECEC has limitations due to the funding available and within the ratios of qualified staff to children. Children with high developmental and educational needs benefit from access to the most qualified and experienced teachers and to health specialists and therapies. Currently funding does not cover the full provision of even the minimum qualification. Inclusive services cover the shortfall through parent fees and many services exclude children with high needs as this would financially impact the ability of the business to turn a profit.

The use of home languages in early childhood education is an essential resource for any child to grow with a healthy identity and a strong sense of belonging. In a country where nearly half of the population speak a language other than English at home, resources are needed to ensure community languages are preserved and utilised in the Early Childhood setting. Currently all information about system navigation for ECEC is only provided in English. Multilingual program delivery is rare and often sporadic with no funding provided, and the majority of services only speak English when engaging with children.

Through our [Links to Early Learning pilot](#), we have several years' experience understanding the barriers to inclusion for marginalised families, in Southwest Sydney a culturally diverse community with pockets of significant disadvantage. Based on feedback from the parents we have worked with, we believe this is a significant and widespread issue. They have shared that they feel services are still unable to support them, citing reasons such as services not having “the resources to support” their child, particularly with cultural needs or when the child has a disability.

Transport options and availability of quality services limit choice for many families

In our experience, choice is more an article of faith among policymakers than the lived reality of parents trying to balance the competing demands of returning to work and looking for quality early education for their children. Choice is more likely to be available to affluent parents, and to families living in affluent areas where there are more services. Choices are narrower, or even non-existent, for families living in areas with fewer services or with limited transport options, and for poorer families or those with special support needs. Often it is the services of a lower quality that will have vacancies thus leaving many families with no other choice.

Limited supply in specific locations and for specific cultural groups impact attendance

Supply varies broadly with affluence and with geographic factors. Our analysis of census data from the ABS suggests that within metropolitan Sydney, many parts of Southwest Sydney have high number of children not attending early childhood education or care. Similar patterns can be seen in many regional areas such as Casino, Grafton, Lismore, and Scone and surrounds, and more. This is consistent with our analysis of ACECQA register data, which indicates a lack of quality options in many regional and rural areas. These access issues are also consistent with the results of our analysis of AEDC data, which indicates that the same areas generally have a high proportion of children who are developmentally vulnerable.

Our staff and stakeholders have shared that “certain locations and certain cultural groups” have not been reached, and parents felt that there could be more ECEC options and better access to services for children younger than four.

In our experience, families may struggle to attend early learning on a regular basis because of the lack of access to reliable and convenient transportation. This is a particularly acute issue in disadvantaged communities and in regional, rural and remote locations. Some families from Aboriginal and Torres Strait Islander backgrounds are also concerned about cultural safety and appropriateness.

Providing financial and regulatory support to develop models of quality early learning appropriate to cultural and geographic communities which are currently not well-served

We welcome the draft report's acknowledgement of the need for culturally safe and capable services for First Nations children. However, in our view the report does not go far enough in considering how best to achieve this objective. For example, we believe First Nations people and communities should be supported to participate in work on a new National Quality Framework. This is not merely a matter of regulation, however. The current market based approach tends to encourage a presumption that the current mainstream "bricks and mortar" approach to quality early learning is basically suitable for all children, families and communities, and that the barriers to participation are primarily matters of supply and demand. The question of whether alternative models of early learning might exist, and whether they might be more appealing, needs serious consideration.

Alternative early learning options for regional and rural communities can enhance attendance of education and care

We strongly believe that there should be adequate supply of quality early learning, and not merely a supply of vacant enrolment positions in early childhood education and care. The most convenient measure of whether this supply is adequate is the proportion of children who meeting the existing policy goal of attending two days per week in the year before school.

We believe that as many as a quarter of children may not be meeting the current policy goal. In NSW in 2021, 82.2% of four-year-olds and 24.8% of five-year-olds were enrolled in a preschool program. For those in the "year before school", the estimated rate was 83.1%.¹¹ Figures have fluctuated at more or less this level for several years. However, mere enrolment does not guarantee attendance. ABS data we requested on participation in early learning show that in NSW in 2018 (the most recent year for which relevant data were available) over 10% of children enrolled in early learning attended less than 15h/week. Children from culturally and linguistically diverse (CALD) backgrounds and Aboriginal families attended for fewer hours than others, as did children from disadvantaged communities.

Adequacy of supply is also a question of whether the models that are actually available are appropriate to community needs and context. We do not necessarily believe that further subsidies of existing models will necessarily improve this situation (see our response to question 1). We believe there would be significant merit in regional and rural communities, for example, in exploring other options such as mobile preschools that facilitate culturally accessible and appropriate models of education and care. Delivery of

these options are currently hampered by eligibility criteria for funding from different levels of government.

Increasing subsidies and financial assistance to allow families with more limited means to afford costs of attending a high quality program

Current policy settings address only one of the costs of early childhood education: fees. Depending on the needs of the child and family, additional costs to a high quality program could include excursion fees or allowances, cost of food, nappies, day care and other costs associated with participating in ECEC programs. In addition, many families have told us that there is a shortfall between subsidies they receive and the actual costs per day (gap fee) they are charged in long day care, OSHC and family day care centres. This means that subsidies are often not sufficient to cover the cost of two days' attendance, a situation which disadvantages families of more limited means who may not be able to make up the difference.

Current financial assistance does not cover all costs associated with attending and participating in the program including; transport, parking, children's personal belongings (bags, spare clothes, hats, sheets, milk/drink bottles, lunch boxes) duplicated medication (epipens, spacers, prescriptions etc), administration, waiting list fees and bonds, excursions, and all other out-of-pocket costs that are billed to families. We encourage regular, consultative processes to be embedded to keep updated on the community's needs.

Ensuring children and families are given a voice to inform and shape the early learning sector

Future reform and innovation in the early learning sector should seek to draw systematically on the voices of those who participate in it at the local level: above all, families and children, community leaders, and educators.

Deliberately seeking out the voices of lived experience will help to avoid the policy failures of the past, such as those which arise out of poor alignment between different parts of the system. Some of these are already acknowledged indirectly in the draft report, as "knowledge gaps". One important example is data on attendance hours, which affects the planning and funding of service components including staff qualifications and staff ratios. This in turn affects the experiences and outcomes of children in early childhood education and care. In our experience, there is a complex relationship between subsidies (paid by government on the basis of days) and attendance (billed by services for hours attended). This often leaves families out of pocket, has historically impacted decisions about enrolment and attendance by those families who are struggling financially.

Additionally, we believe place-based approaches would improve access to early learning in communities where there are substantial populations of Aboriginal and Torres Strait Islander and culturally and linguistically diverse families. Place-based approaches leverage existing community strengths and skills to identify issues and co-develop solutions. These long-term, are long-term, collaborative community-led initiatives that aim to build thriving communities of people and organisations working towards a shared visionⁱⁱⁱ.

Greater voice and co-development of place-based solutions with children and families can help address inclusion barriers

While the report identifies three key groups who experience inclusion barriers (First Nations children, culturally diverse children and children with a disability), inadequate distinction is made between the differing experiences and needs of these groups. We recommend that children and families should be given a voice to inform and shape the ECEC sector. While the Productivity Commission's report explored the need for greater diversity in types of ECEC services and looked to the Inclusion Support Program to improve ECEC engagement with children from diverse backgrounds, Uniting strongly believes that co-developed place-based solutions are important in addressing gaps and implementing appropriate ECEC services. There should also be multiple ways of facilitating participation available to children and families, tailored for different developmental and access needs.

Empowering and supporting the use of lived experience and expertise to build the capacity of the community

By supporting the use of lived experience and expertise and educating and training community members who wish to become educators for their own communities, the community's capacity is increased. This will also foster the growth and use of local knowledges, to ensure that children and families can access education and care that is culturally safe, enriching and informed by community.

i UNESCO. (2012). Social Inclusion, Social Transformations, Social Innovation: What role for UNESCO in 2014-2021? Consultations of the Director-General with Member States.

ii Productivity Commission Report on Government Services 2021.

iii Insights, Uniting Church Synod of NSW & ACT. (2023). Strengthening Communities Alliance calls for greater focus on place-based work. <https://www.insights.uca.org.au/strengthening-communities-alliance-calls-for-focus-on-place-based-work/>