



**Productivity Commission
Inquiry into Early Childhood
Education and Care**

Submission from Gowrie Australia

February 2024



Submission to the Draft Report of the Productivity Commission – A path to universal early childhood education and care.

Gowrie Australia

Gowrie Australia is a national body of six state-based not-for-profit organisations with a rich history of innovation and leadership in the early learning sector. With over 80 years of contemporary thinking, Gowrie’s vision is that all children thrive. The Gowrie organisations are known for high-quality early childhood education and care, adult education and professional development and advocacy.

Founded on the core values of inclusion, relationships, partnerships and child-led learning, each organisation uses a collaborative and reflective approach to improve practices. The heart of Gowrie Australia has always been its people and culture, with a strong emphasis on development and ongoing learning.

Introduction

Gowrie Australia is pleased to be able to offer further information to the Commission in relation to a number of the areas which the report named above has requested further insights. Gowrie Australia has chosen to address those areas identified for further information based on where we feel we can add the most expertise and experience, across our 85-year history.

We would also refer the Commission to our earlier submission to the process.

Information Request	Gowrie Australia Response
Suitability of NQF for OSHC	<p>An OSHC service is a unique offering with significantly different needs and requirements than those in an early childhood context.</p> <p>It would be appropriate that any framework and regulatory requirements consider the key difference in family expectations, high variability in which these services operate on school sites, (in which the different set of standards is opposed in school hours) and workforce to meet children’s outcomes. Requirements of children under 5 years (so much as they attend OSHC services) should also be considered in any framework of such programs.</p>
Functioning of ISP in FDC	<p>The Inclusion Support program is extremely valuable across the sector and should be continued and grown in reach and resources in line with increasing numbers of children and services requiring assistance.</p> <p>The need to utilise allied health professionals to provide additional coaching and mentoring to educators and teams, or Inclusion Professionals is necessary given the diversity of diagnoses and also the specialised nature of the work. Additional funding should be invested in the professional coaching services that inclusion professionals can provide in face-to-face support in the local area, with local and contextual knowledge of communities, services and families.</p> <p>Inclusion support can also provide professional development and resources and tools for educators, rooms, teams and services and investment should be made in this area.</p>
Transition to School Statements	<p>Transition to School Statements can be a useful way to provide a summary of children’s strengths and support the transition to a school process for the child.</p> <p>However, the Statements take significant time to prepare by a qualified teacher for each cohort of children going to school, with the teacher / educator required to have additional time from face-to-face teaching (in ratio) to complete. These are done in addition to all other responsibilities of educators and therefore add cost to the service delivery for that age cohort.</p>
ECEC Related VET	<p>In some instances, there is a significant funding variation between private or industry RTO’s delivering ECEC qualifications for the sector and how the state government institutions are funded and their access to Commonwealth funding assistance (eg Fee Free Tafe).</p> <p>In one jurisdiction covered by Gowrie Australia the NFP ECEC RTO run by Gowrie is funded at a third of the rate per qualification than the state Tafe is funded.</p> <p>There are serious concerns about the quality of graduates of some private RTO’s who lack relationships with services for</p>

	<p>placements and where graduates seem to qualify with mostly only online learning experiences and little real world experience.</p> <p>Given the current workforce crisis, it is impractical to assume that ECEC directors can adequately supervise and sign off student learning without reasonable supports from the RTO.</p> <p>Graduates often come underprepared and not job ready with these qualifications from some providers. This is why some ECEC providers created their own RTO's for these qualifications to meet the need and provide a quality learning experience. This is at some cost and regulatory burden (for example Lady Gowrie Tasmania). RTO funding is inadequate at this point in time to do this work to a high standard.</p> <p>Continuing the paid practicum grants currently available by the Commonwealth would help in this area.</p> <p>Extending Commonwealth funding for fee free training to industry RTO's in the NFP sector would also help.</p> <p>Additional support for learners is also required with supervision and mentoring needed to help completions, as well as managing more complex student diversity and needs.</p> <p>Fewer are enrolling in the Diploma which means the workforce is less skilled overall. Without addressing ECEC status, wages and conditions, qualified educator completions and retentions will remain a challenge.</p>
<p>Effectiveness of Traineeship arrangements</p>	<p>Traineeships are an essential part of our pathways to dealing with workforce shortages. They vary from state to state and therefore vary in the level of support provided. For example, in Victoria wrap around supports are funded and this is an important component for retention and success.</p> <p>It is recognised that traineeships are an important pathway for workforce attraction. However, necessary supports (external & internal mentors) must be in place to ensure adequate progression. Funded support for trainees nationally is recommended to improve outcomes.</p> <p>Strengthened controls and monitoring should be implemented to ensure effective supports are in place (internal and external – which could include mentoring) to achieve successful completion and trajectory into the sector.</p> <p>Anecdotal feedback is that traineeships are one helpful pathway for workforce attraction but there are significantly</p>

	<p>high rates of non-completion of ECEC qualifications compared to other industries, so this problem also presents a challenge.</p> <p>Traineeships, including school based apprenticeships are just one of a number of pathways into the sector.</p> <p>Until the overall status of the ECEC profession is addressed, with wages and conditions that reflect this status, attracting trainees who complete traineeships and remain in the sector will continue to be a challenge.</p>
<p>Falling completion rates for ECT Quals</p>	<p>As mentioned above the completion rates are a significant issue for this sector.</p> <ul style="list-style-type: none"> - Staff who commence these qualifications often require high levels of literacy, language and numeracy support, and whilst working in a service report that they are time poor for completing assessments. - RTOs and service providers have had to put additional student support measures in place to be able to focus on assisting students and trainees to progress through their qualification and to complete it. - At a time of significant workforce shortages and sickness related staffing shortages, this can become a lesser priority than meeting ratios in services. - As above, without addressing status, wages and conditions, ECT completions and retention will remain a challenge. - In terms of ECT qualifications there needs to be more pathways and support for students to commence, and to complete their degrees, including the provision of paid practicums. - Good quality data collection and reporting on the barriers for completion would provide better insights. - Varying length of degrees, registration authorising environments contribute to the variation across jurisdictions and can act as a barrier for people enrolling and completing. - The quality of the coursework and the quality of the practicum components also are important. - The significant variation across tertiary institutions is also a barrier. There is a misalignment between teacher registration authorities in various jurisdictions and the degrees offered by universities – some as short as three years, others up to five years for ECEC. -
<p>Low rates of expansion among not-for-profit providers</p>	<p>There are a number of factors contributing to low rates of expansion among NFP's.</p> <ul style="list-style-type: none"> - NFPs significant barrier to expansion is access to facilities – either through direct capital constraints to buy or build, to lack of investment in the NFP sector

	<p>from institutional and venture and market capital, and to lack of access to suitable land or buildings.</p> <ul style="list-style-type: none"> - The funding model – singular reliance on fees (CCS and gap fees) in the majority of areas, with some additional subsidies and grants (ACCS, CCCF, CCFR) in some limited areas to assist. This results in marginal surpluses and low cash reserves, and the limited ability to borrow or provide a return to investors. - The cultural or community nature of NFP providers is that they aren't seen to be in the delivery to leverage capital or build reserves, but to pay staff well, keep fees low and to provide good quality ECEC services. This often means overstaffing for quality and safety and operating in thin markets because communities would otherwise not receive a service. - NFP providers also have higher employment costs (invest more in staff) as a proportion of their expenditure than private operators (a symptom of both the increased waivers in the private sector and increased staffing and wages in NFP for quality). - A universal platform of infrastructure for ECEC delivery would greatly assist in this (Governments building centres, or providing capital, policies which require ECEC services to be built on school grounds, and limits to developer led tenancies with commercial rents would all help). - State governments have had to step in, and in various jurisdictions are providing the building infrastructure in thin markets. This has previously been provided through an informal system of institutions (local government having been a significant owner, Universities, TAFEs, even health departments and state government education departments). - Subsidised rent by institutional landlords in thin markets has contributed to NFP providers being able to operate in these markets when private providers would not. However, there has been a shift toward more commercial type rents being charged. - This is exacerbated in rural and remote communities where the costs of delivery and access are higher due to lower workforce population, limited housing and the tyranny of distance for management, oversight and workforce. Often these services require a greater level of wrap around support to ensure they can meet the levels of quality under the NQF and meet the needs of the workforce. - Extensive waitlists exist in many NFP services, and we know from experience that families are seeking high quality services for their children.
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	<p><u>What can be done:</u></p> <ul style="list-style-type: none"> - New investment and the adaption or repurposing of existing facilities is needed to support the ability for the NFP sector to expand to deliver higher quality, higher staff investment, and greater access for children. - Access to finance where appropriate. Some other sectors have models where governments underwrite or provide guarantees for loans whilst they commit to for example build additional social housing for purpose. - Increased supply side funding for NFPs would certainly assist in decisions about remaining or opening in thin markets and where rents are commercial in nature. - Consideration of differential funding for age groups due to cost variation between 0 – 5-year-olds in long day care (ratio driven) and in Outside School Hours Care). - There is also a question about service approvals taking into account quality experience and ability to run a quality program with children’s best interests at the centre. - Charitable tax status is also an area government could easily assist to free up expense reductions, wage increases and other benefits for NFP ECEC services. - Federal and state government commitments to partnering with NFPs for ECEC provision in public spaces such as education and health programs. - This is where governments can play a strong stewardship role in providing the resources required for the NFP sector to strengthen their role in the sector and in its growth.
<p>Planning processes and availability of ECEC</p>	<p>Planning systems in local governments (often driven by state government policy) are ideally placed to use their powers to assist with the goal of increasing access to early learning in those towns or communities where there are thin markets and undersupply.</p> <p>Governments at all levels should have a stewardship role in the ECEC system and local government planning schemes are well placed to ensure that developments make provision for ECEC services, assist them with development proposals and ensure land and other amenities are made available for this goal.</p>
<p>Potential Modifications to the activity test</p>	<p>As previously mentioned, Gowrie Australia is supportive of the removal of the activity test in line with creating a universal early learning system in Australia for all children regardless of family or income background or geography.</p>
<p>Level and Indexation of hourly rate cap</p>	<p>Gowrie Aus supports an hourly rate cap based on fees charged. The HRC must be appropriate to achieve high quality level of</p>

	provision for children and indexed adequately to avoid the erosion of benefit.
Scope for broader funding reform	<p>Gowrie Australia supports the view that a broader funding reform is required to deal with disparities in access to quality education and care for Australian children.</p> <p>If universal access to early childhood education and care is the goal, then funding models must work towards this aim, in both supply and demand side funding, depending on the place.</p> <p>See previous comments throughout, particularly in request for additional information about Not-for-Profit expansion.</p>
The CCCF as a vehicle to address practical barriers to ECEC access	As detailed in other parts of this submission, the increasing use of the CCCF/CCCFR to further support access to ECEC services in thin markets, remote communities is one lever available to government and should be extended significantly. Given thin markets are unlikely to be viable, such an extension should consider long term funding support and funding amounts reflective of the individual community and the unique barriers of access families may be facing.
System navigator roles in ECEC	<p>We commend the PC for recognising these unfunded invisible supports that happen in ECEC services.</p> <p>We support the exploration of these roles in the system. ECEC services do a lot of this work already but do it in addition to normal service delivery. In line with the SA Royal Commission, these roles are important and could be considered for funding specifically for this as an extra cost of service delivery.</p> <p>Adding community and family benefit in this way goes to the heart of quality – mental health, other services, community connections - all of these makes a difference to the child and the family and ensures greater attendance and engagement of families in learning.</p> <p>This is part of the wider social infrastructure role that ECEC services plays. Building social capital for families and strengthening communities is important.</p> <p>ECEC is a safe and trusted place for families early in their parenting and by providing leaders time to engage with families and communities in this way enables greater access and better outcomes for children. Many NFP services already do this, and do it within the existing funding available, leveraging off their part in the wider social services system to help their families. This leads to over staffing for quality and adds to costs for NFP services.</p> <p>This falls in line with the SA Royal Commission recommendation.</p>

<p>Barriers and solutions to providing more flexible sessions of ECEC</p>	<p>There is no real quality data on what the actual need in this area is.</p> <p>Most ECEC providers are unable to provide flexible sessions due to the difficulties with staffing, ratios and viability, as well as the additional administrative burden of multiple flexible sessions. Planning for a week, month or year in a service and being able to break even or even create a surplus for reinvestment into children and families requires strict planning and occasional care service models create complexity in long day care settings for this reason.</p> <p>Flexibility creates uncertainty and with workforce challenges being so severe, this is another reason why flexible sessions are difficult.</p>
<p>Availability of occasional care</p>	<p>If ECEC is seen as an educational right, then Government would need to find ways to fund occasional care as a separate service model (could be integrated in existing services) but the current CCS funding model does not lend itself to occasional care.</p> <p>It is also not in the best interests of children to be provided with an occasional babysitting service. Children require some consistency of environment, staffing, and relationships and occasional care does not provide this.</p> <p>Grant funded programs which offer parenting supports along with occasional care may be better suited to this service offering, which we acknowledge has a place for some families.</p>
<p>Support for services to meet NQS</p>	<p>The previous funded program of Professional Support Coordinators operated in each state for well over a decade. This was a cost-effective program which delivered contextual professional development based on ECEC sector needs (including LDC, FDC, OSHC). Fees for professional development were subsidised for organisations due to recurring tender funding from the government. Another element was referral by the state regulatory authority for services which did not meet NQS, allowing intensive support initially at no cost so quality issues could be addressed in a timely way. Many providers saw this model as successful and providing some national consistency of offering. A similar program funded by the Commonwealth, with state-based providers available to support all services, and particularly working toward services would be beneficial (in the same way that Inclusion Agencies meet that particular need). Local state-based providers tend to be more in touch with the local sector and more aligned with local needs. They could deliver programs including Coaching and mentoring; Induction and onboarding; PD for Educational leaders; Quality standards and preparation for ratings.</p>

	<p>Some jurisdictions are well ahead of others in this space (eg, Victoria) and this needs to be available to all states and territories as the need is national.</p>
<p>An ECEC Commission</p>	<p>Any new body set up to provide stewardship of the sector should provide oversight on areas such as planning, workforce, price transparency, oversee coordination of the effectiveness of funding, effective data management for the purposes of decision making and future planning and policy and consistency.</p> <p>The body should act as an independent steward and have relevant and effective powers to ensure appropriate influence. A body like this could be beneficial to the sector but would need to have the right set of powers and buy in from the key stakeholders (including ACECQA, State and Commonwealth Governments).</p> <p>A Commission could put its mind to policy parameters around: Planning, Workforce, representation, Price regulation and transparency, Data, Research and provide independence. This could assist with removing some of the jurisdictional inconsistency.</p> <p>A set of principles could be established for its operation which could be considered and consulted on widely as it is developed.</p>