



ELACCA submission to Productivity Commission Inquiry into Early Childhood Education and Care

June 2023



The Early Learning and Care Council of Australia (ELACCA) welcomes the opportunity to submit our response to the Productivity Commission Inquiry into Early Childhood Education and Care.

About ELACCA

The Early Learning and Care Council of Australia (ELACCA) was established to promote the value of quality early learning and care as an integral part of Australia's education system. Our 19 CEO members include some of the largest early learning providers in the country, representing both not-for-profit and for-profit services.

ELACCA members operate 1,984 long day care services, 310 preschool/kindergarten services and 92 OSHC services, covering every state and territory. They offer one-quarter of all the early learning places in Australia. Together, our members serve 369,776 children and their families, and employ more than 56,708 staff.

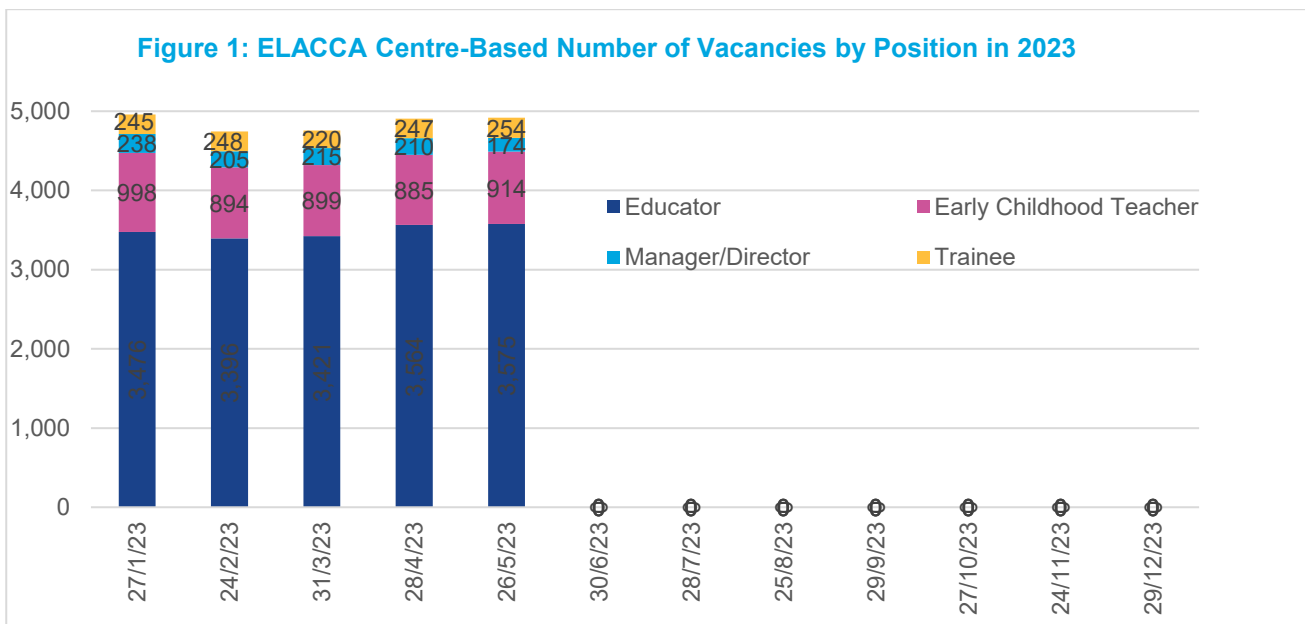
As well as promoting the value of quality early learning and the need for greater public investment, ELACCA advocates for the right of all children to access quality early learning and care, particularly children facing disadvantage. We do this by drawing on the knowledge and practical experience of our members and representing their views to decision makers in government, the media, and the public.

Strategic context

ELACCA welcomes the Productivity Commission’s review into Early Childhood Education and Care, the broad Terms of Reference for the review and license for the sector to be bold in its recommendations.

ELACCA members, CEOs of large providers of early learning and care, represent multiple operating models, across and within jurisdictions with both State and Commonwealth funded services. Our members comprise for-profit and not-for-profit providers, and offer services including long day care, preschool/kindergarten, Outside School Hours Care and in-home care. Through our national representation, we note that there are ongoing inconsistencies to funding models, teacher registration, quality, access and equity across the country.

Our sector is facing a well-reported workforce crisis. Figure 1 shows the number of vacancies reported monthly by ELACCA members in 2023. The total number across our membership hovers just under 5000 vacancies, the bulk of which are consistently the vital role of early childhood educators. Noting that ELACCA members comprise 26% of licensed places across Australia, this suggests that current vacancies across the sector are around 20,000.



There are vacancies in services across all parts of the country, in all roles. This needs to be addressed by a suite of long-term measures and investment, including an immediate and ongoing pay rise for educators and teachers, building the skills and training pipeline, a targeted skilled migration strategy and retention and uplift programs to keep our current workforce in the sector. We know that a career in the early learning sector can be an incredibly rewarding one, we want our workforce to be valued and recognised for the critical role they perform, and to attract a strong and stable future workforce.

We commend the Australian Government for undertaking comprehensive inquiries into the early learning and care sector, including by the Australian Competition and Consumer Commission (ACCC) and the Productivity Commission. The Government’s significant interest and appetite for reform in our sector is welcome and includes the development of an Early Years Strategy, National Vision for Early Childhood Education and Care (ECEC), National Preschool Reform Agreement, National Disability Insurance Scheme Review, Migration Review, National Strategy for the Care and Support Economy and targeted legislative amendments, including through the Cheaper Childcare and Secure Jobs, Better Pay Acts. Additional reform activity, increased investment and inquiries in some states and territories – all at different stages in their early years policy evolution – are also welcomed, and will without doubt lead to better outcomes for our youngest Australians.

Recommendations

Investments in early learning and care should recognise ECEC as vital social infrastructure for families and communities to raise their children to achieve their potential, and respond to the following critical needs:

- a universal child entitlement to high quality early learning and care – regardless of the setting, location or family circumstances – from birth to 5 years of age
- recognition and investment in pay and conditions for our workforce to deliver the entitlement, and
- enhanced inclusion support to ensure every child has the best opportunity to achieve their potential.

All reform to Australia's early learning and care system should be primarily focused on child development and learning objectives. Supporting parents and carers to participate in the workforce is an important, but secondary benefit of early learning and care. Maintaining a focus on the rights and needs of the child in all policy design, implementation and investment will maximise long term social and economic benefits for all Australians.

Access and equity

1. Ensure every Australian child be entitled to quality early learning, in the service type of their choice, enabling continuity of relationships through a child and family centred focus:
 - (a) All children should have an entitlement to subsidised access for three days per week of early learning and care, regardless of their parent/s' study or work status.
 - (b) Up to five days should be available for families who need more to support workforce or other participation, or for children likely to experience, or are experiencing, vulnerability and/or disadvantage.
2. Remove the Activity Test to allow all children access in line with 1(a).
3. Remove barriers and simplify processes – empowering local decision-making where possible – for children experiencing vulnerability and/or disadvantage, including:
 - (a) Removal of administration burden faced by families and providers to ensure children receive support from the time of enrolment.
 - (b) Expand access to ACCS Child Wellbeing Certificates to a minimum of 13 weeks, with all Determinations for at least 12 months, noting:
 - (I) Children are unlikely to move in and out of risk within 3 months
 - (II) Children may move from imminent harm to long-term risk
 - (III) Children and families at risk require ongoing, consistent and reliable relationships and support
 - (c) Abolish ACCS Transition to Work and instead provide 100% subsidy for at least 3 days (36 hours) per week for families whose sole or primary income is received by income support payments.
4. Engage directly with First Nations families and communities, and First Nations-controlled organisations to ensure culturally safe, strong and appropriate policy settings for First Nations children.
5. Work with State Governments and the sector to redesign a simplified financing and funding model for early learning and care that is:
 - responsive to service-level equity needs
 - tied to quality and inclusion
 - easy to navigate and enables support for families to enrol
 - inclusive of Government contribution to teacher and educator wages, and efficiently auditable.

6. Leverage State Government investment to expand universal access to quality preschool, in the setting of a family's choice, for at least the two years before school.
7. Improve transparency for families through Starting Blocks, so that families can make informed choices about each service's quality, affordability and inclusion, including:
 - up-to-date information about overall rating under the National Quality Framework
 - easily comparable information about fees charged and each family's out-of-pocket costs
 - information about initial and ongoing inclusion support and practices
 - other service inclusions for example food and nappies.

Quality for all

8. Alignment of the definition of a preschool program across the Preschool Reform Agreement and National Quality Framework to be *a preschool program delivered by a degree qualified early childhood teacher* for at least the two years before school
9. Renegotiate, update or redesign the *National Partnership Agreement on the Quality Agenda for Early Childhood Education and Care* re-committing to funding and monitoring implementation of the Education and Care Services National Law and Regulations, including best practice adult:ratios, qualifications and approved curriculum frameworks, whilst assuring national consistency.
10. Supporting, maintaining and strengthening the timely assessment and rating of services envisaged under the National Quality Framework, including:
 - (a) all services assessed and rated within a 3-year cycle
 - (b) services rated as 'working towards' assessed every 12 months.
 - (c) communication to families on the outcome of assessment and ratings of service/s their child attends in compliance with National Law and Regulations.

Enhanced inclusion

11. Inclusion to be adequately funded and supported with a tiered model to provide the child, service and community level funding entitlements.
12. Funding and reform to inclusion support to be informed by best practice, and:
 - (a) Support the inclusion of all children by increasing and indexing the Inclusion Support Program additional educator hourly rate and providing greater flexibility in hours of support to match patterns of children's attendance.
 - (b) Leverage opportunities to partner with the sector and philanthropy to fund, trial and prove concepts for innovative, place-based and fully integrated services for children and families, across health and wellbeing, early learning and care, disability services and other early years services.

Stronger market stewardship

In collaboration with State and Territory Governments and the sector:

13. Strengthen the role of the Australian Government in nationally consistent stewardship of finance, regulation, planning, data transparency and workforce sustainability to deliver on high quality, affordable and inclusive early learning and care for all children and families.
14. Enhance governance and funding programs to ensure investment in early learning market growth is:
 - (a) directed to high quality provision and to areas where it is needed, and

- (b) prioritising capital expenditure for quality approved providers with 95% or more services meeting or exceeding the National Quality Standard

Workforce uplift and stability

15. Government to partner with providers to fund an ongoing pay raise for the early learning and care workforce, to achieve and enshrine in legislation pay parity of the early childhood educators and teachers with equivalent staff in primary schools.
16. Invest in targeted workforce initiatives to attract, retain and reattract quality early childhood educators and teachers, including:
 - (a) Targeted tertiary scholarships and discounted HECS fees, free vocational education and training and school-based traineeships.
 - (b) Attract and attract back campaigns and initiatives co-designed with peak bodies and the sector.
 - (c) Careers education initiatives that promote the value and importance of the early learning workforce from secondary school onwards and provide opportunities for school-based traineeships
 - (d) Opportunities for Certificate III and Diploma-qualified staff to be supported to upskill and progress career within the sector.
17. Build awareness and esteem of the workforce within and outside of the early learning and care sector through:
 - (a) ongoing investment in wages
 - (b) promotion of the sector as a valued, attractive and impactful career option, including through a targeted campaign like ELACCA's *Big Roles in Little Lives* initiative.
18. Work with the sector develop a targeted skilled migration response to current workforce challenges, to increase the supply of qualified early childhood educators and teachers, and ensure Australia is an attractive destination for qualified teachers and educators from other countries

Enablers of successful reform – data and governance

19. Build processes to collect, safely house and analyse real-time data, to contribute to a national evidence base informing future policy and funding decisions and measure social and economic impact leading to continuous improvement.
20. A cross-Government, multi-jurisdictional approach to the development and implementation of early years policy, overseen by and accountable to National Cabinet.

Underlying principles for reform

ELACCA supports consideration of the below key principles in the development and design of new policy:

- Child-centred in all facets of design and implementation
- Culturally safe and informed
- Efficient for Government/s, providers and families
- Nationally consistent in accordance with the National Law and Regulations
- Enabling high quality and inclusivity
- Data and evidence for impact, evaluation and continuous improvement

Priority long and short-term action – sequencing suggestions

ELACCA recommends that all policy is developed and implemented with the education, wellbeing and development outcomes for children at the centre.

Within the next 12 months...	Within the next 2 years...	3 years and beyond...
<ul style="list-style-type: none"> • Fund increase to wages and improved conditions for early childhood educators and teachers • Remove activity test and introduce child entitlement to at least 3 days per week • Adequately fund inclusion support and access to ACCS • Ensure national consistency on teacher registration as determined by ACECQA 	<ul style="list-style-type: none"> • Introduce reformed funding mechanism in partnership with States and Territories • Enshrine pay and conditions (parity with schools) in legislation, with no component of the workforce worse off. • Policy settings that enable network expansion of quality early learning providers with at least 95% of services meeting or above the National Quality Standard • Establishment of new National Partnership Agreement on Quality in Early Childhood Education and Care • Increased transparency for families and utility of Starting Blocks 	<ul style="list-style-type: none"> • 2 years of preschool in all States and Territories (mixed market model) • Highly subsidised funding model offering near-free early learning and care for all children with approximately 10% co-contribution from families.
Reform activity we recommend to avoid		
<ul style="list-style-type: none"> • Price caps or fixed fees (noting significant variation and range of costs to deliver early learning and care) • Policy or funding responses that segregate the sector based on governance models, instead the focus on all reform should be to raise expectations that all providers deliver quality. 		

Building vital social infrastructure – opportunities for strategic reform in early learning and care

Access and equity

Universal access and entitlement to early learning and care

ELACCA supports access to high quality early learning and care, regardless of sector type, geographical location or family/child circumstances.

ELACCA supports a child-focussed approach to access that ensures every Australian child be entitled to quality early learning, in the service type of their family's choice, and enabling continuity of relationships between service and child/family.

ELACCA advocates for universal access across the country, so that:

- All children have an entitlement to subsidised access for *at least three days per week* of early learning and care, in the two years before school.
- *Up to five days* of subsidised access should be available for families who need more to support workforce or other participation, or for children likely to experience vulnerability or disadvantage.

While there is strong focus and evidence base that supports the importance of access to early learning and care two years before school, the first 1000 days of a child's life is critical to their growth and development. ELACCA supports access to quality early learning and care at a time the suits the family and child's circumstances, from as early as 6 weeks of age.

The New Zealand Government has introduced up to 20 hours a week of funding for all children aged 3, 4 or 5 attending an early childhood education setting, and an additional 10 hours for children who attend more than 20 hours a week¹.

Removal of the Activity Test and other barriers

Equity and access require careful consideration in the design and implementation of new reforms to ensure children and families who are hard to reach, experiencing vulnerability and/or disadvantage benefit from early learning, including identifying and removing barriers to attendance.

National Government policy payment systems must be re-designed in consultation with the sector and families to eliminate barriers to accessing early learning and care, for the number of days each family or child requires, particularly for families experiencing vulnerability and/or disadvantage.

Along with many other advocates in our sector, ELACCA supports the removal of the current activity test within the Commonwealth's Child Care Subsidy (CCS) for children attending early learning and care three days a week with no minimum number of hours of parental workforce or other activity required.

ELACCA also supports improving eligibility processes to the Additional Child Care Subsidy – Child Wellbeing. In the first instance, expand access by increasing ACCS Certificates to a minimum of 13 weeks and ACCS Determinations to at least 12 months. Simplify the funding and approval process, including

¹ <https://www.education.govt.nz/early-childhood/funding-and-data/20-hours-ece-for-ece-services/>

decentralising processes to remove unnecessary barriers for children who have most to gain from attending early learning and care.

Prior to redesign of the funding model, ACCS Transition to Work should also be abolished and replaced with better support for low-income families primarily supported by income support payments.

First Nations children

ELACCA supports direct and culturally sensitive engagement with First Nations families and communities, and First Nations-controlled organisations.

This includes ongoing dialogue with SNAICC, the Secretariat of National Aboriginal and Islander Child Care peak body who represent First Nations children and families, in the development and implementation of policy and funding settings for First Nations children, to ensure culturally safe, strong and appropriate models.

Funding model that supports access and ensures equity

Families and providers continue to be challenged by navigating different funding regimes, accountability requirements and service models that differ between service types, States and Territories, and from the Commonwealth.

Funding model reform is required so that families are spared from the existing confusion and inequity across settings and jurisdictions. Children are entitled to different hours of subsidised education and care and pay different out-of-pocket fees depending on whether they enrol children in long day care or preschool/kindergarten. The multiple and varied systems of early learning and care can be difficult for families to navigate or to compare service offers and out-of-pocket costs, especially for the most vulnerable and disadvantaged.

ELACCA advocates for a reframing of sector funding policy – and all early learning policy – that features children at the centre and simplifies the process for all Australian families.

A reformed funding model should provide equity for families, be simply to navigate and extend across all service types. To enable this, ELACCA supports a new design of funding agreement, with joint investment Commonwealth and State Government funding could be provided direct to providers, per child, regardless of the setting/s the child attends, thus removing any administrative burden from families. In the long-term, ELACCA supports a funding model of joint Government investment that provides free/near-free early learning and care for at least three days a week in quality approved services.

An ongoing, funding agreement similar to the National Schools Reform Agreement that has capacity for government to contribute to both wages and children's early learning increase, and include the following key components:

- need to ensure auditability
- equity loading (base funding plus loading for disadvantage, disability and inclusion, SEIFA, geolocation, CALD, First Nations, refugees and new arrivals)
- facilitates access to allied health.

Further, in the immediate term, innovative partnerships with local government and providers such as the case study below, can be reviewed and explored to increase access to affordable, high-quality early learning and care in targeted markets.

While this submission does not directly recommend the structure of a new funding model, ELACCA welcomes the opportunity to work with the Productivity Commission and other key players in our sector to

model various options to agree the best way forward for the provision of quality early learning and care whilst avoiding unintended consequences.

ELACCA would strongly support funding reform that reflects the cost of quality delivery for all children plus those who stand to benefit the most, and a complete remodelling of the subsidy system, retaining the direct payment to providers.

Two years of preschool

Leveraging recent investment and reform in many states, ELACCA supports negotiation and establishment of a new national commitment to two years of preschool for all children, regardless of location or setting.

This builds on the strength of the existing State and Commonwealth Preschool Reform Agreement partnership to establish a new National Commitment ensuring access to two years of preschool for all children.

Increasing transparency and understanding cost of delivery

Fees at an individual service level vary to reflect local market conditions, and multiple cost drivers.

From the perspective of large providers, fees vary between individual services and broadly reflect local market conditions and cost drivers. This includes conditions, such as demand, competition, demographics of the community and other factors, such as occupancy, age and condition of infrastructure. Local cost drivers that contribute to differences in fees charged across services also include property and staffing costs.

Large providers generally set fees at a service level with a view to maximising affordability for families, and responding to local market competition and service viability.

Cross-subsidisation will often occur across a service, with the birth-under three age group often costing a service more to run than a preschool age group. Lower fees charged for preschool aged children in states like Victoria and NSW also reflect investments made by their State Governments in supporting the costs of preschool.

Out-of-pocket fees for families should never be a barrier to early learning and development – yet the input costs that drive fees are often beyond the control of providers. Some of these costs, including property and labour costs, have been climbing quickly over the last few years – quite apart from the heavy cost impact of the COVID-19 pandemic.

Case Study 1, below, demonstrates an innovative response to providing affordable and quality care, through a partnership with a large provider of early learning and care, and local government.

Case Study 1: City of Sydney partnership with and an ELACCA member

In 2016, the City of Sydney was concerned about the lack of affordable high quality early learning and care available for city residents in inner Sydney. It decided to build three (later four) new early learning centres in inner city suburbs. It put out a tender for a NFP provider willing to offer affordable, high-quality care.

Under the terms of the lease, the City of Sydney approves the fee schedule for the centres it owns to ensure that they remain accessible for low-income families living in the City.

Three centres opened in 2016 in state-of-the-art learning spaces at Darlinghurst (East Sydney), Annandale (The Crescent), and Alexandria (Huntley Street), with a fourth following at Zetland (Waranara) in 2018. In all, the four centres added 294 places to affordable ECEC in one of the most expensive markets in Australia, with fees well below the market average.

The Waranara centre was previously part of the South Sydney Hospital and is part of the new community space at Green Square, winning an award for Interior Architecture and a commendation at the 2018 NSW Architecture awards.

All four centres have been assessed as meeting the NQS, East Sydney and The Crescent as Exceeding the NQS. Fees for the four centres continue to track well below the average for inner Sydney centres.

The partnership demonstrates the role that local government can play in providing affordable, high-quality care by procuring good quality sites in high-cost markets and partnering with the sector to deliver high quality care².

Cost drivers for large providers to provide quality early learning and care

Large providers play an important role in ensuring quality provision, financial viability of services and supply in unviable markets, through cross-subsidisation across services. Universal base funding and targeted funding would allow smaller providers to establish services and minimise risk in less attractive markets.

The ACCC is currently analysing costs incurred by providers of early learning and care as part of their inquiry. Fees for services are determined by a range of factors, principally:

- staffing costs
 - educator and teacher qualifications
 - award wage rates and enterprise agreements
 - professional development and backfill costs
 - staff: child ratios
 - extra staffing required to include children with additional needs
- enrolment numbers (occupancy)
- property costs (including leasing and maintenance)
- administration and compliance costs
- consumables (food, nappies, educational resources).

The vast range of cost drivers include but are not limited to: rent/land costs, staffing, profile/vulnerability of cohort, extent of head office support, service type and geographical location.

While some of these are easily measured and identifiable (property costs), others are less obvious (staffing requirements). Within a strict regulatory framework, providers are required to maintain age group specific adult:child ratios at all times. Due to these explicit *and necessary* ratios for quality and safety, the arrival of one additional child on a given day can require the attendance of an additional educator/teacher for the entire session. Staffing in services can be dynamic and complex, which challenges efforts to maintain optimum efficiency. In particular, the increased use of casual staff (due to sector-wide workforce shortages) to meet ratios comes at a high cost, noting casual relief staff sourced through an agency are usually charged at a significantly higher cost than permanent employees.

² <https://www.goodstart.org.au/news/city-of-sydney-and-goodstart-early-learning-join-forces>
<https://www.goodstart.org.au/news/exciting-new-centres-have-opened-in-sydney>
<https://www.goodstart.org.au/news/new-centre-caters-to-the-needs-of-children-and-families>

Quality for all

A high-quality early learning and care program is one that is delivered in accordance with the Early Years Learning Framework, National Quality Standard (NQS)³ and Preschool Reform Agreement⁴, delivered by a qualified, valued and high-quality workforce.

Importantly, quality early learning and care should improve outcomes for all children and be universally accessible with additional targeted supports for children and families experiencing vulnerability and/or disadvantage. A feature of quality early learning includes adoption and commitment to nationally consistent quality measures, programs and assessment and rating.

ELACCA supports a renegotiated and updated *National Partnership Agreement on the Quality Agenda* for Early Childhood Education and Care re-committing to ratios and regulatory framework, and assuring national consistency.

Supporting, maintaining and strengthening the National Quality Framework to ensure timely assessment and rating of services envisaged under the National Quality Framework, including:

- all services assessed and rated within a 3-year cycle
- services rated as 'working towards' assessed every 12 months.
- communication to families on the outcome of assessment and ratings of service/s their child attends in compliance with National Law and Regulations.

For families to be assured that the early learning and care program is consistently high quality, they need to know that their service of choice is regularly assessed and rated within a regular three-year cycle. An improved rating and assessment cycle will lift quality more rapidly in conjunction with systemic support for services 'working towards' the NQS.

ELACCA notes and supports the NSW Government's saving clause within the National Regulations that maintains the NSW requirement for a higher ratio of degree qualified teachers than other jurisdictions, recognising that this predates the National Quality Framework and remains an aspiration for all. Without doubt this adds to the cost of running a service, however, this measure also adds significantly to quality as evidenced by Manning et al (2019) who state there is a 'positive correlation between teacher education and classroom quality'⁵. Ensuring and maintaining ratios and qualification standards will support the best outcomes for children.

National consistency in the early learning and care sector remains an issue. For example, Tasmanian and Western Australian preschool/kindergartens are delivered in schools but remain outside the necessary high standard of assessment and rating required under the National Quality Framework (NQF). However, in both jurisdictions, the private (both not for profit and for profit) early learning services are held to the high standard of assessment and rating under the NQF. In contrast, the Northern Territory Government also deliver the majority of preschool programs within schools but maintain consistency under the NQF across school and private early learning and care services, enabling families access to the publicly available and comparable overall rating of their school preschools. An immediate action the Commonwealth could take would be to ensure state and territory adherence to ACECQA's National Quality Framework and National

³ Australian Children's Education & Care Quality Authority [ACECQA] National Quality Standard (revised 2018).

<https://www.acecqa.gov.au/nqf/national-quality-standard>

⁴ <https://federalfinancialrelations.gov.au/agreements/preschool-reform-agreement>

⁵ Manning, M., Wong, G. T. W., Fleming, C. M., & Garvis, S. (2019). Is teacher qualification associated with the quality of the early childhood education and care environment? A meta-analytic review. *Review of Educational Research*, 89(3), 370-415.

Quality Standard across ALL early learning and care services whether delivered in schools or by private providers.

In addition, and of relevance to quality, ensuring consistency in early childhood teacher qualifications and a national teacher registration process, nationally acknowledging ACECQA determinations, is vital for our sector.

The timely collection, measurement and analysis of outcomes data (developmental and educational) is paramount to ensure continuous improvement in services across the sector.

Stronger market stewardship

The early learning and care sector is complex and sometimes disparate. There are clear differences between and within jurisdictions, operating and governance models and sector type, and thin markets appearing throughout. Targeted capital investment supporting quality providers of early learning and care to operate in thin or otherwise unviable markets would be a valuable investment by Government/s.

An overarching, Commonwealth-led approach to market stewardship would support a stronger, overall learning and care system in Australia. ELACCA would support this being overseen by National Cabinet as a key strategic priority for the Commonwealth and all state and territory governments.

Quality provision-led asset planning

ELACCA recommends the Commonwealth work with states, local government and the sector to undertake regular asset mapping to inform future provision of early learning and care services, taking into account a mixed model approach for provision and targeting government investment for new infrastructure in consultation with local government and the sector, and an adherence to quality provision in all network expansion. ELACCA recommends setting a trigger for expansion to operate additional services, only if a provider can demonstrate that 90% of services across its network have a quality rating of 'meeting' the NQS or above. For smaller providers, consideration should be given to demonstrating the service or provider leadership team (i.e. Persons with Management or Control⁶) has sufficient knowledge and experience to operate a high-quality early learning service.

New Zealand has recently introduced a model to manage the supply of new licensed early childhood services. Under the network management process, unless excluded, anyone intending to establish a new licensed early childhood service will first need to apply for and be granted network approval by the Minister of Education⁷. In *He taonga te tamaiti: Every child a taonga* - The Early Learning Action Plan 2019-2029, the New Zealand Government set an objective for early learning services to be part of a planned, diverse and coherent education ecosystem that is sustainable and meets the needs of communities across New Zealand⁸.

Workforce uplift and stability

It is widely understood that the early learning and care sector is one of many industries facing significant workforce shortages. The current workforce is struggling to meet demand for places. Rooms are being capped across the country. This not only has a detrimental effect on the learning and developmental needs of young children, but impacts the capacity of parents and carers to work or increase their workforce participation. As discussed earlier, early learning and care is essential social infrastructure that has the

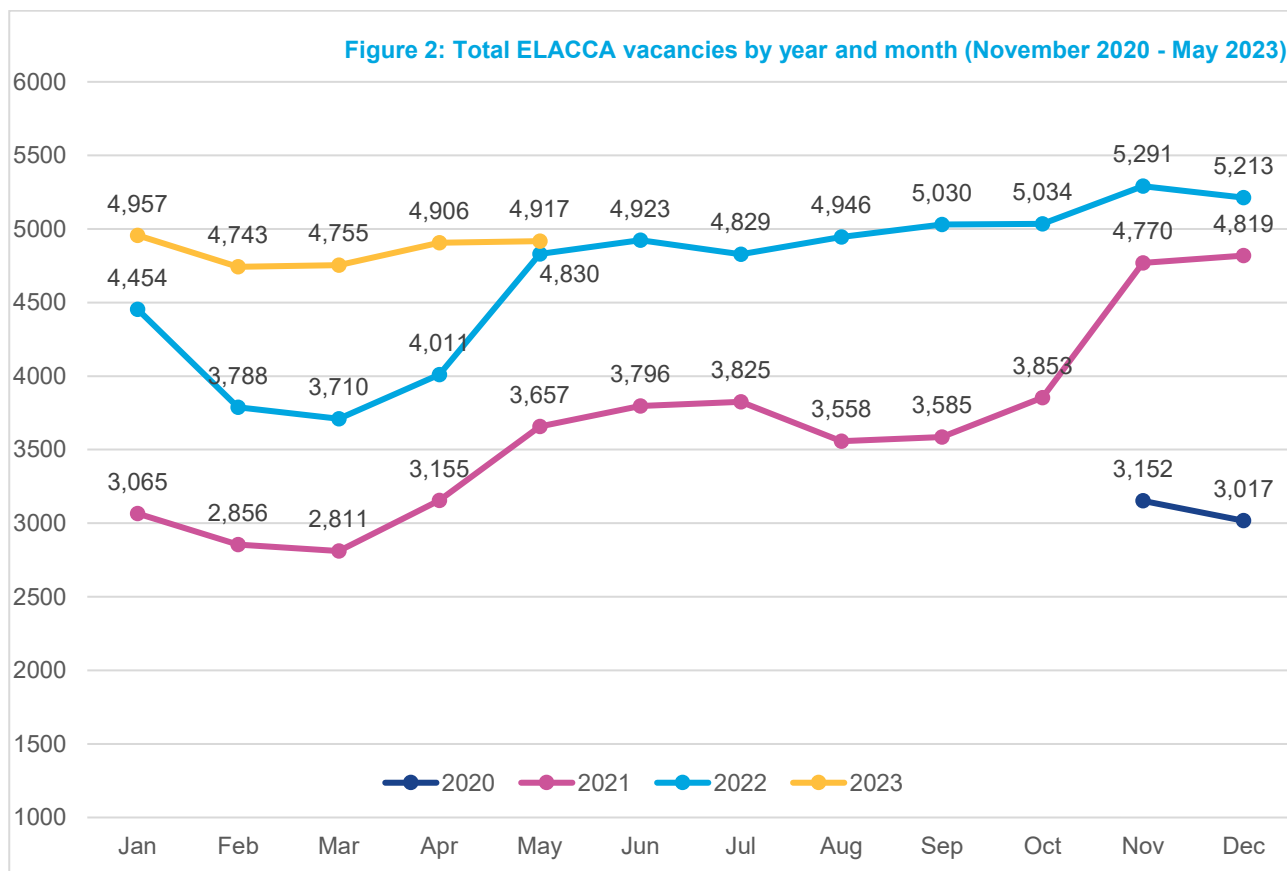
⁶ <https://www.education.gov.au/early-childhood/provider-obligations/persons-management-or-control>

⁷ <https://www.education.govt.nz/early-childhood/running-a-service/starting-a-service/network-management/>

⁸ <https://www.education.govt.nz/early-childhood/running-a-service/starting-a-service/network-management/>

secondary but critical role of substantially enabling workforce participation, with huge productivity gains for the Australian economy.

Figure 2 below demonstrates reported vacancies from ELACCA member-run services for the past 18 months. In considering the number of vacancies reported, it should be noted that ELACCA represents just over 26% of the early learning and care sector.



Multiple levers are required to respond to the workforce crisis, including: increasing wages and conditions, promoting the sector as an attraction career option, skilled migration strategies and building the skills pipeline. Setting up new graduates for success is also an important retention strategy, and industry working with universities to ensure course design is fit for purpose is a key solution to this. Exposure to the sector and the leadership and other capabilities and competencies required should be strengthened, and coaching and mentoring for beginning educators and teachers is paramount.

Pay parity

The highest value intervention to improve workforce supply is to improve pay and conditions for early childhood teachers and educators. ELACCA supports pay parity of early childhood teachers and educators with relevant staff in primary schools, with an underlying principle that no part of the workforce will be worse off.

ELACCA continues to advocate for pay parity and will continue to work with Government to achieve this for our sector and encourage Government to enshrine this in legislation.

Movement between schools and ECEC (both ways) is not perceived as problematic. While we are keen to stem the flow of teachers and educators into schools in immediate - short term during the current workforce crisis, in the longer term, a seamless flow of staff between both sectors would be mutually beneficial. Such interactivity would enable expertise to flow, educating and supporting children from birth to 8 years, with the Early Years Learning Framework pedagogy permeating into the school sector.

The New Zealand Ministry of Education is undertaking a review of early learning funding relating to pay parity for certificated teachers. The Review's aim is to identify and implement a preferred approach to better align funding for education and care services to their certificated teacher salary costs⁹.

As part of the Review, the Ministry is consulting on a proposal to help fully implement pay parity for certificated teachers in education and care services (including hospital-based services and casual education and care services) with their counterparts in kindergartens.

National workforce initiatives

ELACCA is fully supportive of *Shaping Our Future*, ACECQA's National Workforce Strategy¹⁰, but the current timeframe for implementing the strategies over ten years doesn't recognise the urgency of the workforce crisis.

Better pathways, accelerated and innovative uplift programs for Diploma-qualified educators to progress through to teacher qualifications with financial and wrap-around support, such as the current accelerated program offered through the University of Wollongong and co-designed with ELACCA. The importance of linking the scholar, provider and university is crucial, therefore partnerships with employers are vital for qualification completion and retention in the sector.

ELACCA members support a suite of measures to secure and stabilise the early learning workforce, including:

Short term (within 12 months)	Medium term (2-3 years)	Longer term (3 years and beyond)
Improve pay and conditions for educators and teachers	Sector to partner with university and vocational settings to better prepare graduates to be 'job ready', through coaching/mentoring and paid practicums.	Cultural change strategy across states and territories building the esteem and recognition of the sector (including language: early learning/ education to replace childcare).
Uplift the perceived value and recognition of the workforce as attractive career – consider national roll out of ELACCA's <i>Big Roles in Little Lives</i> campaign.	Legislate pay parity for early learning workforce with equivalent staff in schools, co-funded by Government	Achieving more diverse workforce, including greater representation of men in educator and teacher roles.
Increase free TAFE and quality RTO places, HECS relief and scholarships	Sector and University co-designed intensive/accelerated courses for experienced diploma qualified educators, through university/sector partnerships in all states and territories	Assuring skills pipeline, with clearly defined opportunities to articulate and progress career options
Develop a skilled migration response for the early learning and care sector to fill immediate vacancies	Establish nationally consistent approach to teacher registration, using ACECQA's determination of approved degrees.	Intensive funded mentoring programs, within provider networks, that provide wrap-around support, particularly for beginning teachers and educators

⁹ <https://www.education.govt.nz/news/early-learning-pay-parity-funding-review-consultation-opens/>

¹⁰ <https://www.acecqa.gov.au/sites/default/files/2021-10/ShapingOurFutureChildrensEducationandCareNationalWorkforceStrategy-September2021.pdf>

National incentives, scholarships and housing subsidies targeted to hard-to-employ locations, or areas of high population growth	Ongoing professional development for all teachers and educators to support continuous improvement, and funded release time.	Cultural exchange opportunities co-designed with First Nations communities and leaders to build cultural competence and understanding, and two-way learning.
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ELACCA recommends the Government consider the following initiatives to support the attraction and retention of the early learning workforce:

- A public campaign that demonstrates and values early years educator and teacher roles, promoting the importance of a career in early learning and care such as ELACCA's recent *Big Roles in Little Lives* campaign¹¹
- School-based traineeships and internships, and free TAFE courses and quality RTO places for post-school students.
- Expansion of technical colleges, with a greater emphasis on pathways into early learning and care careers, including a role for supernumerary trainees, pathway to translate from vocational to tertiary qualifications
- Intensive Initial Teacher Education (ITE) degrees where students can work and study with practical supports
- Funding and scholarships to support paid placements of staff attaining or upskilling qualifications
- Authorising and funding providers to pay educators and teachers to complete their paid placements as part of their employment
- Support through funding for early childhood teachers to work in, experience and learn from, regional and remote placement opportunities
- Fast tracked visa sponsorship opportunities for educators and teachers, and support for international teachers, through funding, with IELTS and LANTITE costs and tutoring, as well as an induction program focused on the Australian context, so educators and teachers are work-ready and understand the NQF
- Mentoring programs for pre-service and beginning teachers.

Workforce initiatives should be strongly informed by engagement with educators, teachers, peak bodies, Indigenous and culturally and linguistically diverse communities.

There are opportunities to explore and scale-up existing innovative programs and approaches to building workforce supply, including upskill and uplift programs. This particularly includes successful initiatives developed through industry-university partnerships, for example, the *From the Ground Up*¹² and *ITE Boost* programs co-designed with ELACCA and various Australian universities.

For consideration, the Victorian Government has taken steps towards addressing the workforce issues through multiple training and support initiatives for early childhood professionals. These include scholarships, employment incentives, financial and career supports, education pathways and mentoring. This suite of initiatives will no doubt support and uplift the early learning and care workforce¹³.

Skilled migration

A targeted early learning and care workforce migration strategy is required. A variety of actions should be considered as part of this plan to attract a qualified workforce able to commence in the sector immediately,

¹¹ Early Learning and Care Council of Australia (2022), *Big Roles in Little Lives - ELACCA*, <https://elacca.org.au/big-roles-in-little-lives/>

¹² Australian Government (15 February 2023), *Early childhood case studies, Case Study: From the Ground Up* <https://www.education.gov.au/child-care-package/case-studies/case-study-ground>

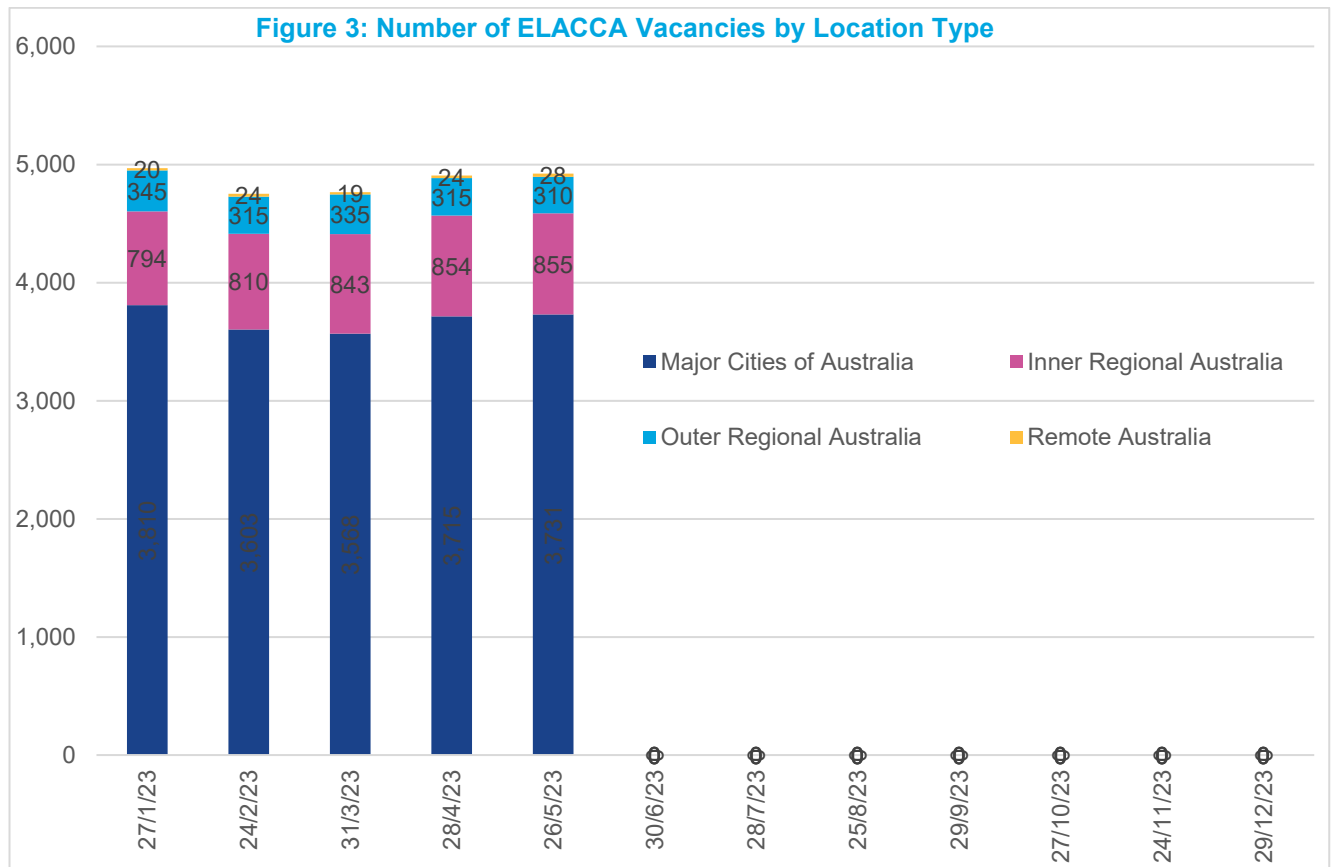
¹³ <https://www.vic.gov.au/training-and-support-early-childhood-professionals>

including to recognise early childhood teachers and educators as priority occupations in the Australian Government’s migration program and the development of an early childhood sector labour agreement.

In the short term, to provide certainty for the thousands of qualified educators working the sector on temporary visas:

- remove the 48 hours work per fortnight cap on student visas (500) for ECEC as a ‘critical sector’ for at least five years.
- streamline recognition of overseas teaching qualifications for early childhood teachers through ACECQA without requiring a second approval through AITSL.
- include the ECEC sector (421111) in the occupation list for 403 Temporary Work (International Relations) Visas - Pacific Australia Labour Mobility stream.
- provide a pathway for all childcare workers to achieve permanent residency, in regional and metropolitan areas.

Figure 3 below informed by reported vacancies from ELACCA members demonstrates the locations of greatest need for skilled migrants (and all qualified staff) would be in major cities and inner regional Australia.



Enhanced inclusion

High quality early childhood programs for children experiencing disadvantage, and/or vulnerability, can yield returns of between \$4 and \$16 for every \$1 invested.¹⁴ For all children in Australia, modelling conservatively demonstrates \$2 of benefits for every \$1 spent on early childhood education.¹⁵

The Australian Early Development Census provides evidence that many children are starting formal schooling lagging up to 2 years behind their peers, with that gap likely to grow rather than diminish with time. The percentage of children with two or more developmental vulnerabilities in Australia is 11.7%.¹⁶ It is unacceptable that 1 in 10 children in Australia start school with at least two developmental vulnerabilities when we know the protective value of participation in high quality early learning has the potential to ameliorate these vulnerabilities.

Supporting early intervention within universal services is particularly important for children experiencing vulnerability and should be a key focus for Commonwealth investment. On many levels, early learning settings are the universal platform for children five years and under. Warm referrals for higher needs children and families from early learning services to wrap-around services, allied health professionals and other scaffolding support should be considered as fundamental in the design of future policy. Noting that our sector is facing significant workforce challenges, this additional and critical role would need to be appropriately resourced by the Australian Government in collaboration with State and Territory Governments.

Inclusion support

Inclusion funding to support children and families with additional needs falls far short from what is required to adequately support children experiencing vulnerability and/or disadvantage. Increased funding to support children and families, in the most streamlined and accessible process possible, would be an impactful improvement the Commonwealth could implement.

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

ELACCA members have a strong commitment to inclusion and invest in measures to ensure, as much as possible, that all children and families can access and participate in early learning. We know that this is patchy across the sector, and that not all services have the funding, capacity or capability to adequately support children experiencing vulnerability and/or disadvantage.

ELACCA supports the consideration of a service level funding model to assist with the additional costs of inclusion, delivering local inclusion capability uplift, outreach and other service level solutions. This approach would recognise that some children, particularly those with multiple vulnerability risk factors, need additional funding to be adequately supported to engage in early learning.

¹⁴ Heckman, J (accessed 2022) Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy, heckmanequation.org, Nd

¹⁵ The Front Project (2019) A Smart Investment for a Smarter Australia: Economic analysis of universal early childhood education in the year before school in Australia, PwC Aust.

¹⁶ Australian Government (accessed January 2023), AEDC Percentage and number of children developmentally vulnerable in 2021, <https://www.aedc.gov.au/data-explorer/>

The Commonwealth Government could consider a response similar to the Victorian Government’s successful School Readiness Funding model¹⁷, which allocates funding based on the level of need of the children enrolled in the service and augments that funding with access to allied health and wrap-around supports.

ELACCA has advocated to the Commonwealth Government for increased support and investment in the Inclusion Support Program, to close the gap between the cost of providing inclusion, and Commonwealth funding received, and to build a workforce that supports *every child* to learn and develop to their potential.

Many ELACCA members invest to ensure that no child is excluded from the opportunity to attend early learning and care, due to their family, individual circumstance, or health status – this is usually at significant additional cost to the provider.

ELACCA supports the exploration of a multi-tiered approach to inclusion, which could comprise the Commonwealth funding:

<i>Child-level</i>	<i>Service-level</i>	<i>Community-level</i>
Investment to support children with specific diagnoses or identified needs, including: children with disability, developmental delay, trauma-related behaviours, end of life care or other inclusion support needs. This funding would need to be tied to the child to support all hours of their attendance and provision of an additional educator (funding in keeping with award rates) and any infrastructure support required.	Investment to be allocated to individual services, based on a census of the number of children enrolled who are experiencing vulnerability or disadvantage. This funding would support capacity and capability building within services, including outreach and provision of ‘warm referrals’ to allied health services.	Investment recognising that some communities have a high proportion of families experiencing disadvantage and/or multiple identified vulnerabilities. A flexible, place-based response to reflect the particular needs of a community. Innovative approaches could be explored, including partnering with philanthropy to trial and prove concepts.

Inclusive, wrap-around service models that respond to place are worthy of considering in offering an efficient response to higher needs children and communities.

Integrated children’s services

Integrated child and family services are an excellent example of innovative program and service delivery. Noting there is an important distinction between co-located services and an adequately funded, high functioning, integrated service.

Recent research (2021) into integrated child and family services has demonstrated that they have significant potential to meet many of the key needs of children experiencing diverse vulnerabilities and their families¹⁸ and reform of the early learning system should explicitly consider the role of integrated service delivery where required to meet complex child, family or community needs.

¹⁷ <https://www.vic.gov.au/school-readiness-funding-menu>

¹⁸ Moore, T.G. (2021). *Core care conditions for children and families: Implications for integrated child and family services*. Prepared for Social Ventures Australia. Parkville, Victoria: Centre for Community Child Health, Murdoch Children’s Research Institute, The Royal Children’s Hospital. <https://doi.org/10.25374/MCRI.14593878> Moore, T.G. (2021). *Developing holistic integrated early learning services for young children and families experiencing socio-economic vulnerability*. Prepared for Social Ventures Australia. Parkville, Victoria: Centre for Community Child Health, Murdoch Children’s Research Institute, The Royal Children’s Hospital. <https://doi.org/10.25374/MCRI.14593890>

Place-based approaches

Place-based approaches that target and respond to cultural needs and environments should be integral to the early learning and care system to increase quality offerings to children who are hardest to reach but have the most to gain from a quality early learning.

Partnerships with philanthropy provide the opportunity for proof of concept for innovative integrated child and family services. Our Place in Victoria is a partnership between the Victorian Government and the Colman Foundation, offering place-based approaches to supporting the education, health and development of all children and families in disadvantaged communities by using early childhood and school as the universal platform¹⁹.

Some additional state-based examples for consideration include: Your Town program in Playford²⁰ supporting families with children experiencing trauma-related challenges, and a developmental screening program was recently been announced by the NSW Government²¹.

Data and governance as enablers of successful, efficient reform

Access to timely and accurate data is an important enabler for assuring a quality early learning system, by targeting resourcing and intervention, and learning where to leverage success.

A high-level national dataset that leverages and expands on children's days/time of attendance, workforce and quality ratings should be developed and maintained by the Commonwealth, in partnership with states/territories and the sector to enable strategic policy, modelling and interventions through real time evidence.

Further, consideration should be given to develop and enhance national administrative data to assess the quality, and support the delivery of, national integrated supports and services. ELACCA would support this being housed by ACECQA, leveraging efficiencies with ACECQA's legislative role and existing datasets.

In New Zealand, the Ministry of Education's Early Learning Information (ELI) system collects and stores information on enrolment and attendance in early childhood education for approximately 200,000 children²². Prior to ELI, information on participation was collected at an aggregate level once per year. Participation information is now collected on an ongoing basis at a child level – ensuring the data is more accurate and timelier. This information is higher quality and enhances the ability to monitor and forecast expenditure, and design new policies in their early learning.

The establishment of robust systems promote capacity and capability for effective and efficient monitoring and evaluation across Government, and provides a transparent reporting mechanism, accessible to families, industry and policymakers.

Further, ELACCA advocates that effective and efficient governance as a key ingredient in successful reform. A cross-Government, multi-jurisdictional approach to the development and implementation of early learning and care policy and investment, overseen by and accountable to, National Cabinet would be welcomed.

¹⁹ <https://ourplace.org.au/>

²⁰ Your Town (accessed January 2023) [Early Childhood Development Program | Elizabeth | yourtown](#)

²¹ New South Wales Government (28 November 2022) [Free development checks to give NSW kids the best start in life | NSW Government](#)

²² <https://www.education.govt.nz/early-childhood/funding-and-data/early-learning-information/>

ELACCA values the opportunity to represent our members in a number of national forums and reference groups, and recommends ongoing, genuine consultation with peak bodies and providers as future reform is considered.

Next steps

The commitment from the Australian Government to an accessible, affordable and quality early education and care sector is welcomed by ELACCA, and we look forward to continuing to contribute to the Productivity Commission review.

ELACCA values the opportunity to contribute this submission to the Productivity Commission review, and to participate in additional targeted or public consultation, we look forward to continuing to engage with the Productivity Commission over the coming months. To this end, we would be pleased to facilitate further opportunities for direct consultation with our CEO and members.

Please contact Elizabeth Death, CEO.

Thank you for considering our submission.



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& Care Council
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