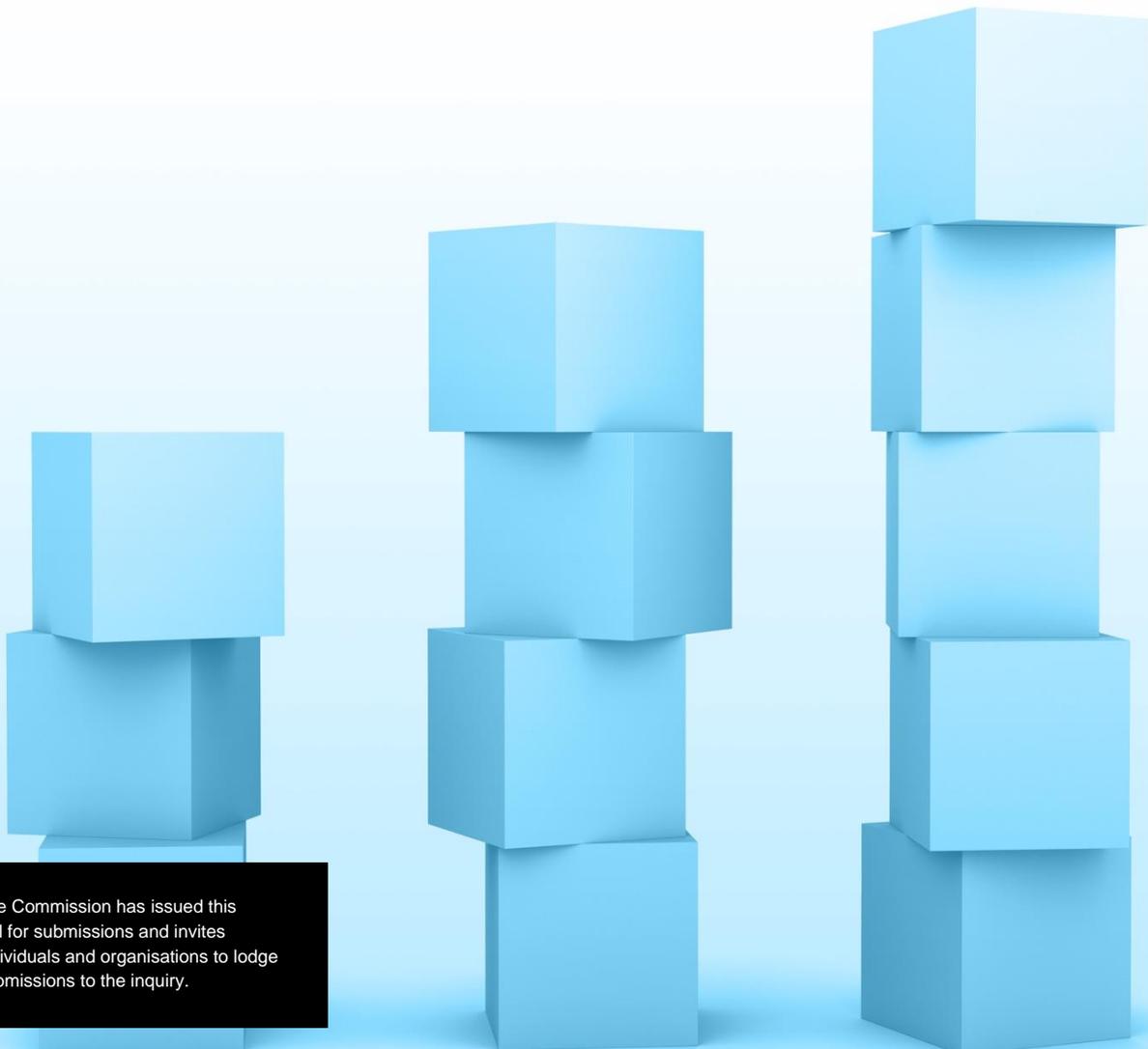




Early Childhood Education and Care

Call for submissions



The Commission has issued this call for submissions and invites individuals and organisations to lodge submissions to the inquiry.

The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

The Productivity Commission

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Further information on the Productivity Commission can be obtained from the Commission's website (www.pc.gov.au).

Key inquiry dates

Receipt of terms of reference	9 February 2023
Inquiry commenced	1 March 2023
Due date for submissions	19 May 2023
Release of draft report	Late November 2023
Due date for submissions	Early 2024
Public hearings	Early 2024
Final report to Government	30 June 2024

Contact details

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Inquiry into Early Childhood Education and Care

The Australian Government has asked the Productivity Commission to undertake an inquiry into the early childhood education and care (ECEC) sector, including centre-based day care, preschools, family day care, in-home care and outside school hours care.

The Commission has been asked to make recommendations that will support affordable, accessible, equitable and high-quality ECEC that reduces barriers to workforce participation and supports children’s learning and development (attachment A).

To inform its recommendations, the Commission is calling for submissions from people and organisations that have an interest in ECEC, including parents and carers, service providers, educators, researchers and any other interested parties. Submissions can address sector-wide issues or focus on specific aspects of the terms of reference, such as ECEC services in a particular location.

Submission writers are encouraged to identify issues and provide suggestions for ways forward. The Commission would appreciate evidence in support of any views, such as data, research reports and case studies.

Submissions are requested by 19 May 2023 (figure 1). Alternatively, people and organisations can submit a brief comment through the Commission’s webpage at any time.

Further information on the inquiry and how to provide a submission or comment is available at www.pc.gov.au/inquiries/current/childhood or by contacting Yvette Goss on 03 9653 2253.

Figure 1 – Key steps in the inquiry



Attachment A – Inquiry terms of reference

REVIEW OF EARLY CHILDHOOD EDUCATION AND CARE

I, Dr Jim Chalmers, Treasurer, pursuant to Parts 2 and 3 of the Productivity Commission Act 1998, hereby request that the Productivity Commission (the Commission) undertake an inquiry into the early childhood education and care (ECEC) sector in Australia.

Background

The Australian Government recognises that ECEC is an essential part of Australia's education system and is integral to Australia's economic prosperity as a powerful lever for increasing workforce participation. The Government is committed to identifying solutions that will chart the course for universal, affordable ECEC – in the great tradition of universal Medicare and universal superannuation.

Participation in quality ECEC has important developmental, social, and educational benefits for Australian children. It can assist with positive early childhood development and provides a foundation for our children's future well-being and success.

Cost and availability continue to be barriers to accessing ECEC, and for parents and carers achieving their preferred level of workforce participation. The Government believes more accessible ECEC is one of the most powerful initiatives it can pursue for increasing workforce participation, particularly for women.

Governments make significant investments in ECEC which must be targeted, complementary and cohesive to maximise the educational and economic benefit in the most efficient way possible.

Findings from the Australian Competition and Consumer Commission Child Care Price Inquiry will inform and support this Inquiry.

In addition, the Government has committed to developing a Commonwealth whole-of-government Early Years Strategy, focused on the wellbeing, education and development of Australia's children. Further, National Cabinet has asked Education and Early Years Ministers to develop a long-term vision for ECEC.

Scope of the inquiry

The Commission will undertake an inquiry into the ECEC sector in Australia. The Commission should make recommendations that will support affordable, accessible, equitable and high-quality ECEC that reduces barriers to workforce participation and supports children's learning and development, including considering a universal 90 per cent child care subsidy rate.

In doing so, the Commission should consider options that improve or support:

- affordability of, and access to, quality ECEC services that meet the needs of families and children
- developmental and educational outcomes for Australian children, including preparation for school
- economic growth, including through enabling workforce participation, particularly for women, and contributing to productivity
- outcomes for children and families experiencing vulnerability and/or disadvantage, First Nations children and families, and children and families experiencing disability

- the efficiency and effectiveness of government investment in the sector.

Without limiting the matters on which the Commission may report, in making recommendations the Commission should consider:

- impacts on demand, supply, and fee growth.
- interactions with existing and planned Commonwealth, state and territory ECEC policy settings and funding, including recent commitments by the New South Wales and Victorian governments to expand access to 30 hours of preschool for children in the year before full time school and support more 3-year-old children to participate in preschool, and any commitments in response to the South Australian Royal Commission into Early Childhood Education and Care.
- interactions with other incentives and disincentives to join or increase participation in the workforce.
- ECEC sector workforce requirements and the capacity to meet these requirements within current Commonwealth, state and territory initiatives.
- required regulatory settings, including to manage compliance and integrity risks for Commonwealth programs.
- impact on access to quality ECEC, including by remoteness and access to flexible (non-standard hours) services.
- whether different settings are required based on the location of services or family circumstances.
- the operation and adequacy of the market, including types of care and the roles of for-profit and not-for-profit providers, and the appropriate role for government.
- activity requirements and other ECEC policy settings, including to reduce system complexity and debt for families.
- impacts on the economy, including workforce participation, productivity and budgetary implications.
- a pathway for implementation.

The Commission should have regard to any findings from the Australian Competition and Consumer Commission's Price Inquiry into child care prices, as well as any other relevant government reviews of ECEC programs.

Process

The Commission should undertake a broad public consultation process, including by holding hearings, inviting public submissions and releasing a draft report to the public.

The Commission should consult with state and territory governments and the ECEC sector where required. The Commission should also consult with the Closing the Gap Early Childhood Care and Development Policy Partnership on matters relating to First Nations children, families, and services.

The Commission will commence this Inquiry on 1 March 2023 and provide a final report to the Government by 30 June 2024.

The Hon Dr Jim Chalmers MP

Treasurer

[Received 9 February 2023]