



# **ELACCA response to IPART Interim Report: Review of early childhood education and care**



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The Early Learning and Care Council of Australia (ELACCA) welcomes the opportunity to submit our response to IPART's Interim Report into its Review of Early Childhood Education and Care in NSW.

## 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 more than 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.

## Introduction

As a peak body in the early learning and care sector, ELACCA represents large providers of high-quality early learning and care within a mixed market. ELACCA works to leverage our reach and scale to lead exceptional early learning outcomes to all young Australians.

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, family day care and in-home care.

As large providers of early learning and care, ELACCA members with services in NSW leverage their scale to offer high quality programs, greater inclusion support, and the ability to operate in otherwise non-viable markets through the cross-subsidisation of services. Services are supported by head office teams that help drive the delivery of high-quality learning and care, and investment in workforce development and pedagogy.

ELACCA's objective is to lead exceptional early learning outcomes for Australian children, and aspire to:

- progress the quality of early learning and care and outcomes for all children.
- enhance the development and professionalisation of the early learning workforce.
- improve equity of access to early learning for all children.

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## Response to IPART Interim Report

ELACCA notes that IPART's review is occurring concurrently with significant Commonwealth inquiries into early education and care, by the Australian Competition and Consumer Commission (ACCC) and the Productivity Commission (PC) and will relate to and align with their findings. We also note that in undertaking its review, IPART was tasked with the following action:

- review the market and report on factors that drive accessibility, consumer choice, affordability and supply of services.
- collect cost and revenue data from providers of early childhood services.
- collect data on current fees and household out-of-pocket costs.
- estimate benchmark prices that reflect the costs of providing quality services.
- recommend ways to improve accessibility, affordability and consumer choice.

ELACCA broadly supports the key findings and recommendations and provides our responses in each recommendation in the section that follows. At a high level, we make the following comments in response to IPART's Interim Report:

- ELACCA advocates for high-quality provision and effective inclusion support in early learning, which are costly but offer significant return on investment. Early intervention, and access to quality early learning and care for children experiencing vulnerability and/or disadvantage is vital to uplift children's lifelong education, health and wellbeing outcomes.
- it is imperative that NSW maintain commitment to the national law and regulatory frameworks, including National Quality Standard and National Quality Framework – early childhood teacher to student ratio in NSW is nation-leading, and best practice.
- significant workforce shortages continue to impact the sector in NSW, and across the country. Targeted, ongoing investment – that attracts and retains early childhood teachers and educators, builds and maintains workforce capacity and capability – is vital to uplift children's outcomes and support workforce participation, particularly for women.
- in line with previous submissions and engagement with IPART, we caution against the use of benchmark fees or prices. We maintain that it is exceptionally difficult to identify a price, or range of prices, for provision of early learning and care. ELACCA data analysed during our recent engagement with the ACCC found that quality provision costs more, and large provider costs vary across geolocation and servicing unique cohorts.

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

## ELACCA response to IPART draft key findings and priority recommendations

Overarching key findings by IPART	
<ol style="list-style-type: none"> <li>1. The funding system for early childhood education and care services is complex, fragmented, potentially inefficient, and can lead to perverse outcomes.</li> <li>2. Workforce availability and expertise are critical to the supply and accessibility of quality early childhood education and care services, and constitute a significant problem currently facing the sector.</li> <li>3. The lack of comprehensive, integrated, accessible, high quality digital services and data about early childhood education and care – long day care, family day care, preschool and outside school hours care – makes it hard for families to find, choose and use services and impedes good decision-making for providers and policy-makers – a digital transformation is needed.</li> <li>4. There is scope to improve access to services and support in services for families with children with diverse needs, disability, additional needs or experiencing disadvantage or vulnerability in NSW.</li> </ol>	
Draft priority recommendations	ELACCA position
<ol style="list-style-type: none"> <li>1. Australian state, territory and Commonwealth governments should work together to develop an integrated funding approach to early childhood education and care.  Governments should clarify the objectives of the funding approach, including that all governments are committed to early childhood services as enabling both inclusive early learning for children and workforce participation for parents.  The funding approach should prioritise improving affordability and accessibility for families with lower incomes, families living in regional or remote Australia, Aboriginal and Torres Strait Islander families, and families with multiple vulnerabilities.  The activity test for receipt of Child Care Subsidy should be reviewed as a priority.</li> </ol>	<p><b>Support.</b></p> <ul style="list-style-type: none"> <li>• ELACCA supports state, territory and Commonwealth governments working together to reduce funding complexity for families and service providers.</li> <li>• ELACCA supports that inclusive, quality learning and development for children is the primary objective of ECEC, with workforce participation for parents and carers a vital secondary objective.</li> <li>• ELACCA supports prioritising access and affordability of ECEC for children in families with vulnerabilities, lower incomes, living in rural and remote communities, and First Nations families.</li> <li>• ELACCA recommends and advocates for the <i>removal</i> of the activity test for receipt of CCS.</li> </ul>
<ol style="list-style-type: none"> <li>2. The NSW Government should develop an early childhood education and care workforce strategy that focuses both on ensuring enough educators are available to provide the services that are needed, and that educators are enabled to deliver those services at high quality.</li> </ol>	<p><b>Support.</b></p> <ul style="list-style-type: none"> <li>• ELACCA supports the development of a fully funded NSW targeted workforce strategy aligned with and building upon the National EC Workforce Strategy – Shaping Our Future.</li> <li>• ELACCA supports targeted action on workforce from Government/s, including establishing pay parity with equivalent staff in school.</li> </ul>

	<ul style="list-style-type: none"> <li>• ELACCA strongly supports NQS ratio requirements in NSW, as nation-leading best practice to ensure high quality provision of ECEC services, and child safety.</li> </ul>
<p>3. The NSW Government should develop a digital service and data strategy for the early childhood education and care sector, so families can more easily find, choose and use services that meet their needs, and providers and governments can make better informed decisions.</p>	<p><b>Conditional support - further information required and possible duplication.</b></p> <ul style="list-style-type: none"> <li>• ELACCA recommends a digital service and data strategy should align with, and support the development of, ACECQA's snapshot reports and Starting Blocks Website.</li> <li>• Agree families need a comprehensive single source of transparent, accessible data on services including details about the service/s provided, inclusion offering, pricing (including out-of-pocket costs) and quality rating.</li> <li>• Duplication of Quality Ratings (NSW Star Rating) and digital platforms can create confusion for families and is an inefficient use of resources.</li> <li>• Needs to be aimed at parent audience, and not cumbersome for providers</li> </ul>

*Overarching funding and policy*

ELACCA supports the Australian and State/Territory Governments restating the key objectives and priorities for the early learning and care sector, to inform investment and reform in early learning and care. ELACCA would welcome these objectives being enshrined in legislation, with non-partisan support, to provide ongoing certainty for the sector.

Assuring children's safety is paramount across all parts of the sector and a vital consideration in setting policy and investment priorities. Maintaining quality provisions in keeping with the National Quality Standard (NQS) must not be compromised, including current qualification and adult:child ratio requirements in NSW.

We support a strengthened of the role of State and Federal Governments in nationally consistent stewardship of finance, planning, data transparency and workforce sustainability to deliver on high quality, affordable and inclusive early learning and care for all children and families. A stronger stewardship role at a national level should lead investment in early learning market growth so it is directed to high-quality provision and to geographical areas where it is most needed.

Further, ELACCA encourages alignment of policies across jurisdictions for national consistency and to minimise administration and compliance burden and increase efficiency, especially for large providers offering services across multiple states and territories, with differing funding and reporting requirements and timelines.

ELACCA notes complexity in balancing different objectives for early childhood education and care, but maintains a focus on children's learning, development and safety as the highest priority.

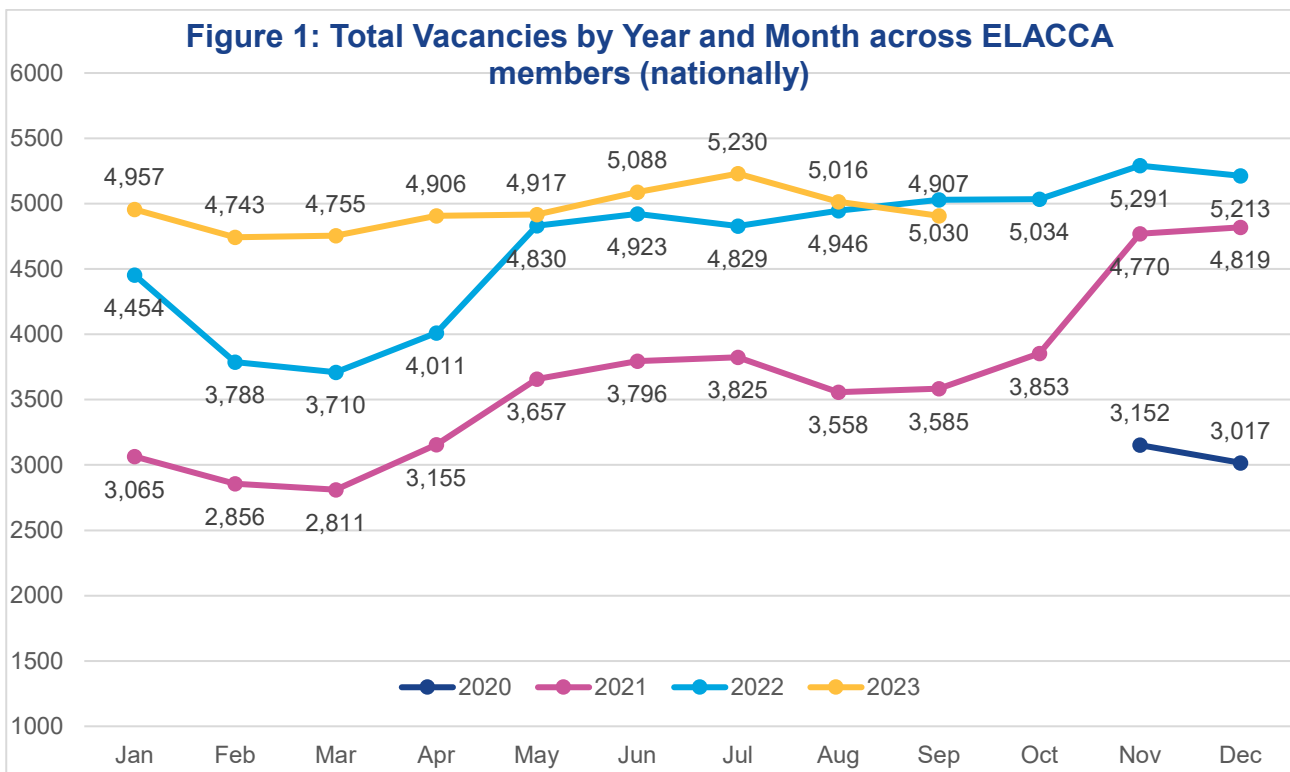
## Workforce challenges

Without doubt, our sector is facing significant challenges in attracting and retaining a stable workforce.

Figure 1, below, demonstrates the overall increasing number of vacancies in our sector, as reported by ELACCA members monthly since November 2020. The total number across our membership hovers just under 5000 vacancies, the bulk of which are early childhood educators. Noting that ELACCA members comprise 26% of licensed places across Australia, this suggests that current vacancies across the sector are more than 20,000 vacancies nationally.

ELACCA stands for quality early education and care, supported by a quality, qualified and appropriately valued workforce. We support Recommendations 2 and 30, that government considers mechanisms to support the attraction and retention of our workforce, and build the esteem of the profession.

ELACCA is strongly supportive of the current NQS framework, and ratios – we would not support any move to water down the current, very necessary adult:child ratio or qualification arrangements, in response to workforce shortages. The NQS ensures the quality and safety of Australian children attending regulated services within our sector.



## Digital service and data strategy

ELACCA supports access accurate, timely and easily digestible information about services in New South Wales, and all parts of Australia. Particularly we support transparent information on:

- Fees, including out-of-pocket expenses
- Inclusion support
- Quality ratings
- Hours of service

We are eager to ensure that there is no duplication of Government data services, and existing programs are leveraged where possible. We recommend that IPART continue to engage with ACECQA in further consideration of this recommendation for its final report.

## ELACCA response to IPART draft recommendations

ELACCA provides the following responses and additional information relating the remaining recommendations from IPART, for consideration in developing its final report.

### Accessibility – availability and choice

Draft recommendations	ELACCA position
<p>4. The NSW Department of Education, when establishing new preschools or evaluating the service offered at existing Department-run preschools, should identify the hours of care required by the surrounding community.</p> <p>Where families need longer hours of care, the Department should design the preschool service so that it meets these needs.</p>	<p>ELACCA notes this recommendation.</p> <p>We advise additional and ongoing engagement with the sector is required, utilisation of the whole market and consideration of a mix of provision, that includes sessional preschool and long day care.</p> <p>ELACCA would not support a model that includes OSHC in preschool.</p>
<p>5. The NSW Government should work with local governments to identify and address any planning-related barriers to the approved operating hours of early childhood services, in consultation with their communities.</p>	<p>Support.</p> <p>ELACCA supports local government engagement that seeks to move constraints on planning provisions.</p> <p>This should also involve consultation and engagement with providers and utilisation of the whole sector.</p>
<p>6. The NSW Government should urgently consider providing additional fee relief for the most vulnerable children in the state to support longer attendance for these children at community, mobile and Department preschools.</p>	<p>Conditional support – fee relief should be available to all children facing vulnerability in ALL approved preschool, mobile, long day care, outside school hours and family day care settings.</p>
<p>7. The NSW Government, when negotiating the next preschool funding agreement (from 2026), should advocate for Commonwealth funding to support longer attendance for children in areas where there are no other available services, or no other suitable services.</p> <p>This would:</p> <ul style="list-style-type: none"> <li>• support parents and carers who want to participate in the workforce</li> </ul>	<p>Conditional support – children and families should be able to access care with limited out-of-pocket costs, at the setting of their choosing, and in the geolocation that suits their family circumstances.</p> <p>Consideration of advocacy to the Commonwealth for funding reform that supports the</p>

<ul style="list-style-type: none"> <li>increase access for children who would benefit from longer attendance.</li> </ul>	<p>establishment of long day and preschool services in communities where 'thin markets' otherwise render services non-viable.</p>
<p>8. As part of its digital service and data strategy, the NSW Government should develop a tool to make available any capacity that is not being used by children with permanent bookings for occasional and casual bookings.</p>	<p>Do not support – this is not in the best interest of a child's learning and development.</p> <p>Further, it would be difficult to implement in practice.</p> <p>Casual bookings are not optimal for child learning or wellbeing outcomes, which require continuity of care, and only meet workforce participation objectives.</p> <p>Many providers, when they are not full, already accommodate changes of days for families with flexible needs.</p>
<p>9. The NSW Government should advocate to the Commonwealth Government that it provide additional financial support for families in outer-regional and remote areas of NSW, whose children participate in early childhood services before they commence primary school, to help with the additional costs these families encounter to access services.</p>	<p>Support in principle – further investigation is required by IPART/NSW Government in collaboration with the Federal Government, on where additional financial support is best targeted to ensure access to early learning and care.</p> <p>A targeted rural and regional/hard to staff areas workforce strategy could also be considered.</p>

### Accessibility – inclusion

Draft recommendations	ELACCA position
<p>10. The NSW Government should ensure the Disability and Inclusion Program is designed to support inclusive education and care for children with disability/additional needs in NSW community preschools, reflecting the findings and recommendations of the recent evaluation of this program.</p> <p>This should include increasing the hourly rates for payments to services with eligible children, to reflect both:</p> <ul style="list-style-type: none"> <li>– the direct costs of eligible activities (including, but not limited to, engaging suitably qualified additional staff), and</li> </ul>	<p>Support in principle.</p> <p>Inclusion support should be sector-blind and not limited to community preschool. State and Federal Governments should both be investing in disability and inclusion funding for eligible children in whichever setting best meets their families circumstances.</p>



<p>– the additional costs associated with coordination, administration, planning and support time that is necessary to provide inclusive education and care.</p> <p>To complement the Minor Capital Works component of the NSW Disability and Inclusion Program, the NSW Government should also consider exploring opportunities to work with the Commonwealth Inclusion Support Program to expand the availability of the Specialist Equipment Library under the Commonwealth program to community preschools in NSW.</p>	<p>NSW should collaborate with the Victorian and Queensland Governments that have established funding streams for services to improve their broader capability to support children with additional needs through the Victorian School Readiness Fund and the Queensland Kindy Uplift program.</p>
<p>11. The NSW Government should advocate for improvements to the Commonwealth Inclusion Support Program, consistent with the improvements we have recommended for the NSW Disability and Inclusion Program.</p>	<p>Support in principle.</p> <p>State and Federal Governments should both be investing in inclusion support. Current funding provided to services is insufficient.</p> <p>IPART could consider successful models in other jurisdiction (as above) and how the alignment of funding between State and Federal Governments could be utilised for a seamless experience for families.</p>
<p>12. The NSW Department of Education should ensure that the facilities available for outside school hours care services on school sites are conducive to provision of inclusive education and care. Wherever possible, this should include dedicated spaces for services or arrangements with school principals to use shared spaces in a way that supports inclusion for all children.</p>	<p>Support.</p>
<p>13. The NSW Department of Education should ensure that its current work on an Aboriginal Cultural Safety Framework includes development of resources and strategies for services to provide culturally safe and inclusive care for Aboriginal and Torres Strait Islander children and their families.</p>	<p>Support.</p> <p>ELACCA supports the co-design and implementation of resources and strategies with Aboriginal-controlled organisations, including SNAICC.</p>
<p>14. The NSW Government should ensure that its current work on a strategy to support multicultural children and families to access early childhood education and care includes development of:</p> <ol style="list-style-type: none"> <li>resources and support for services to provide culturally safe and inclusive care</li> <li>resources in community languages for services, community groups and families, that will help children learn their family's first language and support parents as first teachers.</li> </ol>	<p>Support.</p>
<p>15. The NSW Government should work with the early childhood sector and early intervention professionals to develop and implement a model and system for wraparound support for children and families</p>	<p>Support.</p>

<p>experiencing disadvantage and vulnerability. These supports should be:</p> <ol style="list-style-type: none"> <li>provided in locations where children and families experience the greatest levels of disadvantage and vulnerability</li> <li>flexible to respond to the needs of different communities</li> <li>designed to achieve greater collaboration between early childhood services and other services that support children and families.</li> </ol>	<p>Inclusive, wrap-around service models that respond to place are an efficient response to higher needs children and communities.</p> <p>Enhanced inclusion support will help ensure every child has the best opportunity to achieve their potential.</p>
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*Inclusion support*

ELACCA notes there is a large and growing cost of 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 governments 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.

Through our members, we are aware that the transfer of state funding to the NDIS has changed the support available. This has impacted some services confidence to provide support, particularly for children who are not eligible for NDIS but may be demonstrating challenging behaviour. Direct access to specialist practitioners for advice could be considered to build the capacity of the workforce to support the needs of these children.

IPART could consider a recommending a response similar to the Victorian Government’s successful School Readiness Funding model<sup>1</sup>, 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 recommends inclusion to be adequately funded and supported with a tiered model to provide the child, service and community level funding entitlements.

<sup>1</sup> Victorian Government, School Readiness Funding webpage (accessed November 2023 <https://www.vic.gov.au/school-readiness-funding>)

## Accessibility – information

Draft recommendations	ELACCA position
<p>16. As part of the Government’s digital strategy, the NSW Department of Education should work with other NSW Government agencies, including the Department of Customer Service, to develop a comprehensive strategy to ensure all families receive information about early childhood education and care during pregnancy and the first 5 years of a child’s life.</p>	<p>Support.</p> <p>Noting that this should not duplicate existing programs and be developed in consultation with ACECQA and relevant agencies to ensure national consistency</p>
<p>17. The NSW Government should advocate for the Commonwealth Government to provide:</p> <ul style="list-style-type: none"> <li>– support for services to comply with their obligations to report operating information, for example by conducting validation checks</li> <li>– greater access to this information for comparison and information services.</li> </ul> <p>The NSW Government should also consider ways of providing service information to families, alongside reliable, evidence-based advice and information that is relevant for the different stages of a child’s life.</p>	<p>Support.</p> <p>Important not duplicating existing information sources.</p> <p>Recommend IPART engage with ACECQA.</p>
<p>18. The NSW Government should advocate for enhancement of the National Quality Standard to highlight areas of expertise and excellence in inclusion within service quality ratings, to help families identify inclusive services and to provide incentives for services to provide inclusive education and care.</p>	<p>Support in principle if undertaken with ACECQA and nationally consistent.</p>
<p>19. The NSW Government should advocate for services to be required to report the outcomes of assessment and ratings processes to enrolled families. This would improve the visibility and understanding of service quality ratings and the accountability of service providers.</p>	<p>Support in principle if undertaken with ACECQA and nationally consistent.</p>
<p>20. The NSW Government should review the government-provided resources and programs for early childhood education and care to ensure information is accessible for families from culturally and linguistically diverse backgrounds, and advocate for the Commonwealth Government to do the same.</p> <p>These reviews should also look at opportunities to help services engage with, and provide information to families in their first language, to improve accessibility and inclusion.</p>	<p>Support.</p>
<p>21. The NSW Government should ensure the physical offices of Service NSW, and its outreach services, are resourced to provide information to families about early childhood education and care that is equivalent to the information available on government-run websites. It should advocate for the Commonwealth Government to also provide this information through Centrelink offices and outreach services.</p>	<p>Support.</p>

ELACCA supports the provision of Government-run, outward-facing point of truth and transparency for families and providers. Information for families should be accurate, easily navigable, and easy to interpret.

There are significant benefits in increasing the transparency and understanding for parents and families with regard to out-of-pocket fees – often a confusing and complicated calculation – and current quality ratings across services, in addition to information about inclusion within centres.

Accurate and timely information available on Starting Blocks is useful for providers to understand local market fees, and to support increased transparency of the sector. ELACCA welcomes the increased transparency and reporting requirements have come into effect under the Australian Government’s *Cheaper Childcare Act*, though notes that they currently only required for large providers.

ELACCA recommends IPART engage with the ACECQA regarding any redesign or targeted improvements to the Starting Blocks website, to ensure national consistency and avoiding NSW duplicating existing work in its digital strategy.

To ensure efficiencies, it would be beneficial to minimise any administration or compliance burden for large providers, for example, the use of automation in the implementation design would be worthy of strong consideration.

In support of nationally consistent approaches, we also recommend considering realignment with the National Quality Framework assessment rating standards. NSW has diverged from Australia and started with a star rating system, whereas the rest of Australia is on the National Quality Framework rating system that was originally established.

### Accessibility – funding arrangements

Draft recommendations	ELACCA position
<p>22. The NSW Government should:</p> <p>a. Review NSW funding programs and grants that support accessibility and inclusion to ensure that:</p> <ul style="list-style-type: none"> <li>• all services are aware of funding opportunities and how to apply for them</li> <li>• the number of programs and grants are minimised (e.g. by combining programs that target the same priority groups)</li> <li>• services are provided with appropriate flexibility in service delivery.</li> </ul> <p>b. Consider trials of integrated service provision ("wrap-around services") models in areas of greatest need.</p>	<p>Support.</p> <p>ELACCA also recommends Government consider partnering with philanthropy to trial wrap-around models in place, and establish proof of concept.</p> <p>The Our Place model in Victoria is a useful one to explore.</p>

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 families<sup>18</sup> 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.<sup>2</sup>

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.

<sup>2</sup> 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>

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 platform.<sup>3</sup> Another example for consideration is the Your Town program in Playford supporting families with children experiencing trauma-related challenges.<sup>4</sup>

### Affordability of services

Draft recommendations	ELACCA position
<p>23. The NSW Government should recommend to the Commonwealth Government that it:</p> <ul style="list-style-type: none"> <li>– examine the circumstances and needs of families with children using early childhood services and household income of under \$20,800</li> <li>– consider providing additional support to these families to access early childhood services, in particular those experiencing disadvantage and/or vulnerability, children in out-of-home care, and asylum seeker status families.</li> </ul>	<p>Support, with extension.</p> <p>Children experiencing, or at risk of experiencing, disadvantage and/or vulnerability have the most to gain from attending quality early learning and care. State and Commonwealth Governments have a responsibility to access and affordability for families experiencing disadvantage or vulnerability.</p> <p>Utilisation of consistent income thresholds across State and Commonwealth Governments e.g. Health Concession Card plus a synchronised delivery model would help to remove complexity and enable ease of access for our most vulnerable cohorts.</p>
<p>24. The NSW Government should include in its contracts with OSHC providers (and in associated procurement processes) a requirement that providers include excursion costs as part of advertised and charged fees to improve transparency and so that CCS can be applied to reduce out-of-pocket costs for families.</p>	<p>Support</p>
<p>25. The NSW Government, as part of its digital strategy, should work to improve data transparency, collection and sharing arrangements, including with the Commonwealth Government for fees, subsidies/rebates and out-of-pocket costs.</p>	<p>Support.</p> <p>NSW needs to ensure not duplicating existing processes.</p> <p>ELACCA recommends direct engagement with ACECQA.</p>
<p>26. The NSW Government should recommend to the Commonwealth Government that the CCS application process for families be made less complex and easier to navigate.</p>	<p>Support with nationally consistent approach to avoid duplication and further complexity.</p>

<sup>3</sup> Our Place website (accessed October 2023) <https://ourplace.org.au/>

<sup>4</sup> Your Town (accessed January 2023) Early Childhood Development Program | Elizabeth | yourtown

<p>27. The NSW Government should recommend to the Commonwealth Government that the CCS activity test requirement and eligibility criteria be reviewed to promote equal access to subsidised services for all children.</p>	<p>Support.</p> <p>ELACCA supports the complete removal of the activity test, which acts as an unnecessary barrier to a child's access to early learning and care – often disadvantaging children who have the most to gain.</p>
<p>28. To inform family decision-making, the NSW Government should, as part of its digital strategy, work with the sector and Commonwealth Government to provide greater transparency around:</p> <ul style="list-style-type: none"> <li>– fees charged for services (prior to applying subsidies)</li> <li>– subsidies that apply to reduce out-of-pocket costs for families.</li> </ul>	<p>Support in principle</p> <p>Note, need to avoid duplication, rather leverage and improve current systems.</p> <p>Agree in transparent accessible data. Needs to be aimed at parent audience, and not cumbersome for providers.</p>

### Supply of services

Draft recommendations	ELACCA position
<p>29. The NSW Government, as part of its digital strategy, should advocate to the Commonwealth Government to make enrolment and attendance data of the CCS publicly available to inform the planning and decision-making of service providers and governments.</p>	<p>Support.</p> <p>Agree in transparent accessible data to inform planning and provision of services.</p>
<p>30. The NSW Government should immediately (within 12 months) update its <i>2018-2022 NSW Early Childhood Education Workforce Strategy</i> to support state-based initiatives and complement the <i>National Workforce Strategy</i>.</p> <p>The update should include, but not be limited to:</p> <ul style="list-style-type: none"> <li>– Options to fund services to provide time “off the floor” for reflection, planning, coordination and professional development</li> <li>– Specific actions aimed at the attraction and retention of identified groups, including Aboriginal and Torres Strait Islander educators, rural and regional educators, educators from CALD background, and educators working with children with disability/additional needs</li> <li>– Mentoring initiatives, at both the state and local level, to support students and educators. This should include mentoring/professional support networks for identified groups of educators that are designed in collaboration with the sector and relevant peak organisations.</li> <li>– Comprehensive support for Aboriginal and Torres Strait Islander students/educators who need to leave country to study, and rural/remote students and educators for training. This should include measures to support digital access and practicum opportunities.</li> </ul>	<p>Support.</p> <p>Further, ELACCA advocates for:</p> <ul style="list-style-type: none"> <li>• National recruitment campaign (ie. ELACCA's <i>Big Roles in Little Lives</i>)</li> <li>• Upskill programs and bespoke qualifications co-designed with industry (ie <i>ITE Boost</i> and <i>From the Ground Up</i>)</li> <li>• Careers education in secondary schools promoting rewarding careers in early learning</li> <li>• Supernumerary trainees</li> <li>• Cross-cultural exchange programs with First Nations educators and teachers</li> </ul>

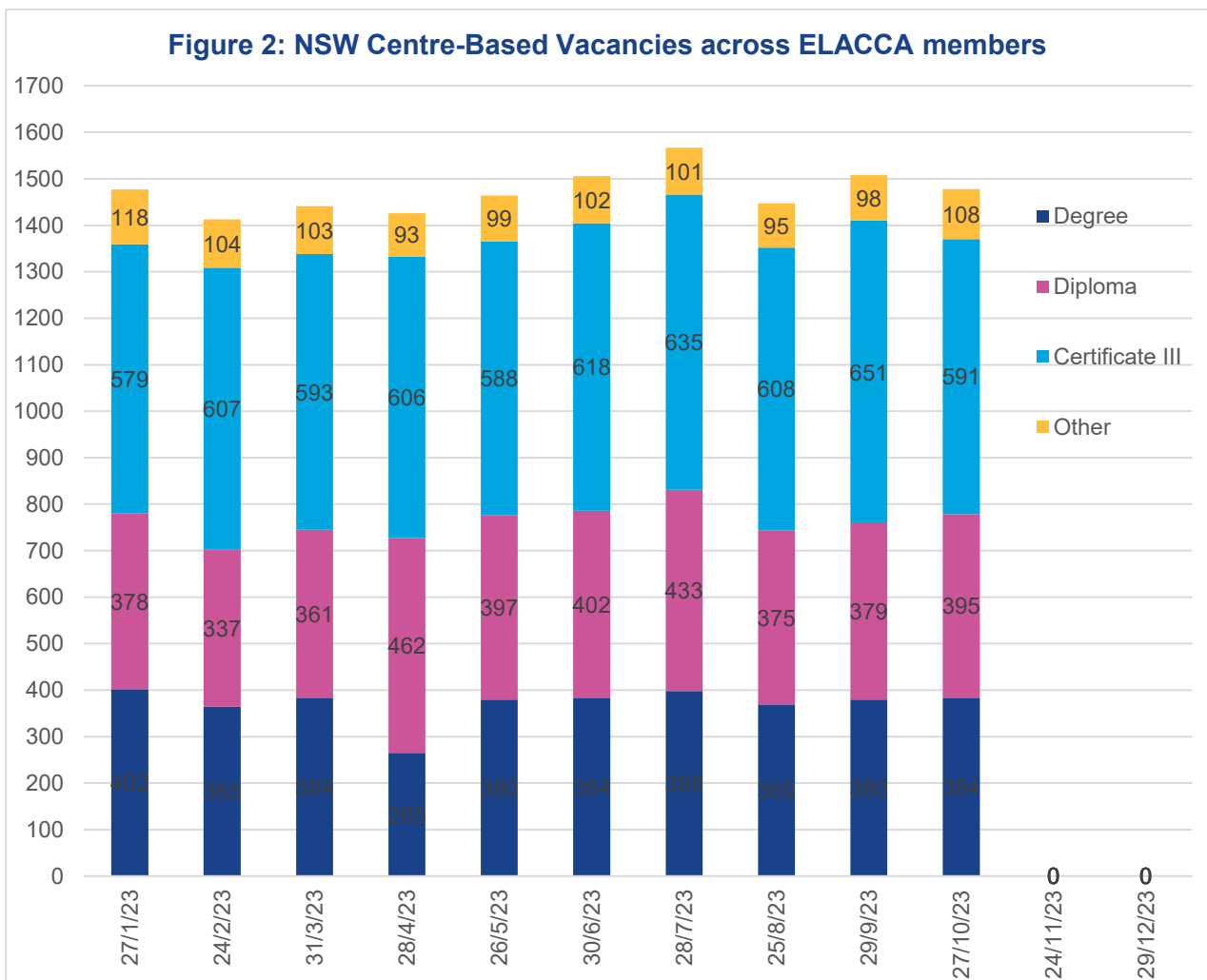
<ul style="list-style-type: none"> <li>– Reframing the narrative around early childhood education and care from ‘childcare’ to early education to enhance understanding of the value of the work being undertaken.</li> <li>– Investment in local workforce recruitment, qualifications, and retention.</li> <li>– Financial support for trainee placements.</li> </ul>	<ul style="list-style-type: none"> <li>• Considering an enterprise agreement with NSW preschool and long day care providers with funding support, such as Victorian Government funding support for VECTEA.</li> </ul>
<p>31. The NSW Government should work with other jurisdictions to:</p> <ul style="list-style-type: none"> <li>– Progress recognition of the value of culture and language that Aboriginal and Torres Strait Islander and culturally and linguistically diverse educators bring to the education and care of children.</li> <li>– Progress mutual recognition or pathways for international qualifications (as provided in the National Workforce Strategy).</li> <li>– Progress a nationally consistent approach to incentives for the attraction and retention of educators for the early childhood education and care sector.</li> </ul>	<p>Support.</p> <p>ELACCA welcomes cross-collaboration with other jurisdictions, and opportunities to achieve national consistency.</p>
<p>32. The NSW Regulatory Authority (within the Department of Education) should develop a short-term educator relief policy regarding educator qualifications, to assist services that are finding it difficult to maintain current services due to temporary staffing issues, such as illness or unexpected leave.</p>	<p>Conditional support.</p> <p>The sector, including providers, should be engaged in the development of policy, including guardrails that protect quality.</p> <p>ELACCA would not support if qualifications are inconsistent with NQS.</p>
<p>33. The NSW Government should review the process and criteria for applying for capital grant funding under its Start Strong Capital Works Grants Program and newly established Childcare and Economic Opportunity Fund to ensure the requirements are less onerous and time consuming.</p>	<p>Support.</p> <p>ELACCA welcomes reduction of administrative burden for providers.</p>
<p>34. The NSW Department of Education should explore strategic partnerships in rural and regional areas with providers to co-locate early childhood services on school premises, where available.</p>	<p>Support.</p> <p>ELACCA recommends quality ratings and inclusion provision is taken into account in considering partnerships with providers.</p>
<p>35. The NSW Government should investigate better coordination of the planning and early childhood regulatory processes, including the provisions of the State Environmental Planning Policy (Transport and Infrastructure) 2021 to enable initiatives such as expansion of services or extension of operating hours.</p>	<p>Support in principle – noting that quality ratings and inclusion offering should be taken into account when considering support for expansion of services.</p>
<p>36. The NSW Regulatory Authority (within the Department of Education) should develop a clear waiver policy on regulatory space requirements for services located on school sites.</p>	<p>Do not support. This is a variation from National Quality Framework and Standards requirements.</p> <p>ELACCA supports clear policy and governance arrangements</p>

across all settings, and must ensure consistent quality standards across service types.

### Workforce

There are vacancies in services across all roles in the sector. 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.

Figure 2, below, shows the steady number of vacancies across our membership each month this year.



We know anecdotally through our membership, in order to adequately staff services in some geographical locations (including the Eastern suburbs of Sydney), several providers pay for staff transport to get to and from work by Uber, taxi or fleet cars. Travel time is included in the wages of some of these staff members.

ELACCA calls for Governments to partner with providers to fund an ongoing pay rise 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.



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In addition, as noted in Recommendation 30, targeted workforce initiatives are vital to attract, retain and reattract quality early childhood educators and teachers, including:

- Targeted tertiary scholarships and discounted HECS fees, free vocational education and training and school-based traineeships.
- 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
- Increasing opportunities to engage and develop supernumerary trainees in the workforce
- Opportunities for Certificate III and Diploma-qualified staff to be supported to upskill and progress career within the sector.

Adequate release from face to face for planning and reporting, and expansion of the current government professional development opportunities to all services, would have a positive impact on the wellbeing – and ultimately retention – of our existing early learning workforce. An essential and short-staffed sector, carrying less experienced staff, urgently require more time off the floor and mentoring from more experienced teachers. Any opportunity to reduce administrative burden for educators, teachers and directors should also be actively and regularly considered. This should never be at the expense of quality relationships and programs for children.

Skilled migration is an important piece of the workforce puzzle. Recent changes in skilled migration arrangements by the Commonwealth Government, including changes to Student Visa arrangement and lifting the Temporary Skilled Migration Income Threshold has resulted in a negative impact on the sector. Noting that our workforce should be appropriately valued and remunerated. ELACCA recommends the NSW Government to advocate to the Commonwealth to develop a targeted skilled migration response to current workforce challenges, to increase the supply of qualified early childhood educators and teachers.

Building awareness and esteem of the importance of the workforce within and outside of the early learning and care sector is vital. This can be supported through:

- Ongoing investment in wages
- Fully funding and escalating implementation of our national workforce strategy *Shaping our Future*
- Promotion of the sector as a valued, attractive and impactful career option, including through a targeted and funded national campaign (like ELACCA's *Big Roles in Little Lives* initiative<sup>5</sup>).

A career in the early learning sector can be an incredibly rewarding one, and we want all members of our workforce to be valued and recognised for the critical role they perform, and to attract and grow a pipeline for a strong and stable future workforce.

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<sup>5</sup> ELACCA (2022), *Big Roles in Little Live.com* (accessed October 2023) <https://elacca.org.au/big-roles-in-little-lives/>

## Provider costs and revenue

Draft recommendations	ELACCA position
<p>37. Pending a national review of the funding system for early childhood education and care, in the short term the NSW Government should:</p> <p>a. Review all NSW funding programs and grants for the early childhood education and care sector, to ensure that:</p> <ul style="list-style-type: none"> <li>– programs are consolidated to be less fragmented, reduce administrative burdens, and promote long-term planning</li> <li>– the number of programs and grants are minimised</li> <li>– administrative burdens associated with application, reporting and acquittal are minimised and the cost of these activities is covered by the program or grant</li> <li>– periods of funding are designed to provide services with security, to allow for service planning and investment in their workforce</li> <li>– services are provided with appropriate flexibility in service delivery</li> <li>– aspects of existing programs are improved to better support services to meet their inclusion responsibilities.</li> </ul> <p>b. Advocate for the Commonwealth Government to undertake a similar review of its funding programs and grants for the early childhood education and care sector to improve funding design while a more comprehensive review of the funding system occurs.</p>	<p>Support.</p> <p>Streamlining, flexibility and the reduction in administrative and reporting burden would be welcomed by ELACCA members.</p>
<p>38. The NSW Government, as part of its digital strategy, should work to improve data transparency, collection and sharing arrangements, including with the Commonwealth Government.</p>	<p>Support in principle – noting previous concerns to avoid duplication and leverage existing digital infrastructure.</p>

### *Response to IPART development of benchmark prices*

ELACCA notes in the Interim Report, and through its Terms of Reference that benchmark pricing is being progressed by IPART.

From the perspective of large providers, fees vary between individual services and broadly reflect local market conditions and cost drivers. 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.

The variation in fees across NSW and across the country partly reflects local market conditions, but also reflects differences in cost drivers. The full cost of delivery includes a range of factors including pay and conditions, rent and property costs, level of demand, competition, demographics of the community and other factors, such as occupancy, age and condition of infrastructure. For example:

- In various locations, additional investment is needed to attract staff to locations (for example, we are aware anecdotally through our membership that Rose Bay in Sydney is as expensive to staff as the most remote town). These costs impact supply and access.
- Among our membership, cross-subsidisation will often occur across a service, with the birth-under three age group often costing a service more to run than the three-under six preschool age group.
- Rental costs of up to \$9000 per licenced place are being incurred by providers in some metropolitan areas, with services becoming unviable. Rents are variable and influenced by more than geography.

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- Occupancy is also lower in many regional and remote areas, making it much harder to fill places and be a cost effective and viable option for providers. We note that occupancy in the early learning and care sector is different to other commodities, as our staffing costs are not linear and a high proportion of costs are fixed. Staffing ratios, of which ELACCA is very supportive under the National Quality Framework, can have a significant impact on staffing costs, where one extra child in a service can equate to an additional staff member, depending on the ratio requirements and physical configuration of that room.

While we believe in transparency of information, including fees and out-of-pockets costs to families, due to the complexity and variables in provider costs, we do not support benchmark pricing being introduced in NSW.

ELACCA appreciates the opportunity to provide feedback on the draft recommendations in the IPART Interim Report. To this end, we would also be happy to host a consultation session with our CEOs to share their insights and ideas.

For further information, or to arrange a consultation session, please contact:

[Redacted contact information]

Thank you for considering our submission.



Early Learning  
& Care Council  
of Australia

[elacca.org.au](http://elacca.org.au)