



Children's Services
Since 1895

IPART Early Childhood Education and Care Review

November 2023

Submission from KU Children's Services

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ACKNOWLEDGEMENT OF COUNTRY

KU respectfully acknowledges the Traditional Owners of the Countries of Aboriginal and Torres Strait Islander peoples and communities on which KU services and programs are delivered. The contribution by Aboriginal and Torres Strait Islander peoples to the education of young children existed long before our story began.

KU STATEMENT OF COMMITMENT TO ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES

KU has an organisational responsibility to the revitalisation and advancement of the cultures, histories, and beliefs of Aboriginal and Torres Strait Islander peoples of Australia as determined by them. Guided by our values and ethical practices, we commit to creating locally led programs and opportunities shaped and determined by Aboriginal and Torres Strait Islander children and families, employees, communities, and organisations.

KU STATEMENT OF COMMITMENT TO CHILD SAFETY AND WELLBEING

As a child safe organisation, we continue our longstanding and unwavering commitment to the safety and wellbeing of children, with zero tolerance of child abuse.

ABOUT KU CHILDREN'S SERVICES

KU Children's Services (KU) is one of the largest not for profit providers of early childhood education and care (ECEC). Established in 1895 as the Kindergarten Union of NSW, KU was the first provider of ECEC in Australia and is the nation's most experienced provider.

KU has a long-demonstrated history of providing and supporting high-quality, inclusive early childhood education programs, and continues to lead the way with over 120 services and programs in NSW, VIC, and the ACT, including preschool, kindergarten, long day care, family and early intervention programs and allied health services. KU is contracted by the Australian Government to provide support for eligible ECE services for the inclusion of children with additional needs. This includes the Inclusion Development Fund (IDF) and the lead Inclusion Agencies in NSW/ACT and QLD and contracted in VIC. Additionally, KU is contracted by the NSW Government through the NSW Sector Capacity Building Program to provide free training and support to staff in community preschools to implement inclusive practices and to enhance their inclusion readiness for children with additional needs.

KU's vision is to lead and inspire young children's learning for life. Our achievements in the NQS Quality Ratings to date, far exceed the national average, with all assessed services rated as Meeting or Exceeding the National Quality Standard. KU has been recognised as an Employer of Choice in the Australian Business Awards for eight consecutive years. Such is KU's experience, expertise, and reputation, that we are often requested to provide specialist advice to other providers, peak bodies, the corporate sector, and all levels of Government.

INTRODUCTION

As a leading provider of high-quality and inclusive early childhood education and care (ECEC) services, KU welcomes the review into affordability, accessibility, and consumer choice for the ECEC sector in New South Wales. This comes at a time of national focus on the equity, affordability, quality, and accessibility of early childhood education. KU has provided substantial data and commentary to the *Australian Competition and Consumer Commission (ACCC) Childcare Inquiry* to help inform findings. We have also provided response to the *Early Years Strategy* and commented on the *National Vision for Early Childhood Education and Care* for a whole-of government, holistic, and long-term vision.

We acknowledge the importance of advocacy and collaboration across all levels of Government and recommend that IPART makes strong recommendation on specific actions that the NSW Government can take in response to affordable, accessible, and inclusive ECEC. A nationally cohesive strategy is desirable while place-based approaches are needed to respond to the diverse needs of NSW communities. As long as jurisdictional responsibilities and systems remain fragmented, there will continue to be a disparate and complex ECEC sector. Funding and supply are prime levers to improve accessibility, affordability, and choice for families.

In addition to feedback on the Terms of Reference for this review, and data provided to help inform findings, we offer these comments on *the Review of Early Childhood Education and Care's Interim Report* (October 2023) findings and recommendations for your consideration.

OVERARCHING DRAFT FINDINGS

Finding 1: The funding system for early childhood education and care services is complex, fragmented, potentially inefficient, and can lead to perverse outcomes.

We accept the overarching finding that funding is complex, fragmented, and inefficient, and support the recommendation to simplify funding systems. The cost of delivering quality education can differ across locations and for service quality. The ACCC found that NFP providers of LDC services invest more into staff and quality and charge lower hourly fees. Preschools in NSW that have opted into the Start Strong for Community Preschool program charge minimal fees. We are optimistic that the *Independent Market Monitoring Review* may offer further insights.

We suggest an examination of the impact of Start Strong Funding Guidelines including the priority of access guidelines for meeting intended outcomes. Recent alignment of SEIFA bands to deciles needs evaluation. While a good indication of disadvantage it may not be a helpful measure for operational purposes. We also suggest that the NSW Government considers their timing of the Start Strong audit process for preschools, as November to February is a demanding period, especially for smaller providers with little administrative support, that includes the annual leave and closedown period as well as preparation of transition to school statements, HLSN applications, enrolment, and orientation processes.

Finding 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.

We agree that a stable and skilled workforce is central to quality ECEC, and we support the recommendation to improve availability of a qualified workforce. It is recognised that we are at a tipping point with staff shortages and will be challenged to achieve supply targets without a stable workforce to deliver educational programs. While incentives for qualifications and professional learning are part of the required strategy, more attention needs to be given to the pay and conditions of teachers and educators. The *National Children's Education and Care Workforce Strategy* recommends immediate action to improve wages and conditions.¹

The recent announcement by the NSW Government to establish 100 departmental operated preschools and the significant increase in salaries for teachers working in NSW Government schools and preschools will have a direct impact on the prior to school sector. Whilst increases in salaries for teachers in the NSW Education Department is well deserved, it widens the gap for teachers working in the sector whose salaries are included in the cost of operating services and reflected in the daily fees charged to families. Without additional funding, community based, not for profit providers cannot pay their teachers and educators equally to their peers working in schools without significant fee increases for families.

Finding 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.

We support a data strategy to make better decisions for locating, expanding, and supporting services but remain circumspect about a digital service that will need to address digital literacy, infrastructure and access, and the varied operational systems already in place. The sector needs more information about the proposed strategy and how complementary, in-person support will be available for people with digital access difficulties to participate in the benefits of the strategy.

The introduction of digital services needs to reduce, not add to, service workloads. Locating services online and adding names to waiting lists seems a basic approach to a complex and relational process. Aspects of engagement need to be considered to support service planning responses, including family decisions not to use ECEC.ⁱⁱ Centralised systems are rarely adequate for maintaining current and complex information needed to support families with vacancy information, which can depend on age and preferred days, and the various fee structures and specifics of inclusion and educational supports available. Waiting lists, even if well maintained, are indicative and should not be relied on to provide absolute data on demand. Children can be duplicated across lists and waiting times can be unreliable due to changing needs and availability of preferred days with vacancies remaining available. As with all system implementation, these should have adequate user testing and training.

Finding 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.

KU has a strong commitment to the inclusion of children with diverse and complex needs and we strongly advocate for improved access and support for children with additional needs. Funding from the Commonwealth Government and NSW Government is not enough to cover the costs of supporting children with additional needs, and KU makes up this shortfall.

We accept that there is a lack of inclusive and culturally safe care for children. Responsive and appropriate pedagogies and practice need to be considered in policy and service responses.ⁱⁱⁱ We agree that more assistance could be provided to services supporting children experiencing disadvantage or vulnerability.

KU supports the provision of universal access to affordable, high-quality ECEC from birth to school age, for a minimum of two days per week, with additional hours available for children from identified priority cohorts. We encourage IPART to make recommendation to the NSW Government for added supports for children with disabilities in conjunction with outcomes of the NDIS review. We highly recommend that children with additional needs are made more prominent in IPART's recommendations to the NSW Government.

PRIORITY DRAFT RECOMMENDATIONS

Recommendation 1: Australian state, territory and Commonwealth governments should work together to develop an integrated funding approach to early childhood education and care.

KU supports a *National Vision for Early Childhood Education and Care* where governments take a stewardship approach of ECEC systems, in partnership with the sector. National Cabinet's framing of stewardship includes funding, regulation, and policy. We support the recommendation to have a more clarified and integrated funding approach to improve affordability and accessibility, especially for priority cohorts. Families with complex needs and entrenched disadvantage can face a variety of practical, social, and cultural barriers to engaging with services, and those who would benefit the most often miss out.

ECEC is the foundation of the education continuum and has a distinct role in minimising disadvantage and vulnerability. Children's right to quality education should be paramount in policy settings and reform. We also accept that ECEC enables workforce participation for families and should be an entitlement for all families. We request a stronger call for the Commonwealth Government to remove the CCS activity test.

Recommendation 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.

A highly skilled, valued and professionally recognised workforce is vital and must be considered a policy priority. Workforce shortages across the country have reached historically high levels and present a serious barrier to advancing accessibility and quality. Staffing in NSW is not keeping up with growth of the sector. 11.5 % of NSW services, predominantly LDC services, have a temporary staffing waiver.^{iv} Coordinated efforts are needed to identify priority areas to better support recruitment and retention. We need to reframe the narrative of 'childcare' to early education and enhance understanding of the importance of the work being undertaken. We strongly support the NSW Government developing a workforce strategy that addresses skills shortages. The NSW Government might look to other jurisdictions, such as the South Australian Royal Commission recommendation to establish an Early Childhood Workforce Fund that supports an increase in the supply of the ECEC workforce.

A capable and well-resourced workforce must be supported with ongoing professional learning that reinforces high-quality teaching and educational leadership. Recent budget measures to support the workforce through the professional development and paid practicum subsidies and exchanges will help to strengthen skills and professional experience. Pathways from vocational to higher education are needed for educators to build on previous study.

Recommendation 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.

While we agree that families need information about accessing and choosing quality services that meet their needs, we believe that digital transformation is secondary to delivering priority reforms that strengthen the supply of quality early childhood education, sustain a professional workforce and support outcomes for children, especially those with diverse and complex needs.

KU supports policies, models, and interventions underpinned by comprehensive data and evidence. A technological approach is only part of the solution which might also include community consultation to gather more accurate data and understand local barriers to accessibility and participation. The data strategy could include examination of staffing waivers by region when considering plans for growth. Analysis of equity loadings in preschools may offer further commentary about children and families accessing different service types.

We support the recommendation for services to offer casual and occasional care where they have capacity, and funding policies and systems support. Limited uptake during extended hours trials in the past have demonstrated the complexity, and in some cases, families' preference for informal care for irregular hours.^v More recently, families are seeking greater workplace flexibility and there is a reduction of employer sponsored or facilitated services. The NSW Government could work with relevant unions, the corporate community, and experienced providers of employer-sponsored services to develop a strategy to support frontline, casual and shift workers.

There needs to be an appreciation of the local issues and responses that determine service provision and the possible need for a variety of service types that cater to the varying needs of families. There are operational and industrial considerations for changing operational hours and staffing models. We also need to consider attraction and retention for teachers and educators working in services that offer

extended hours. Staffing arrangements are key when offering flexible arrangements and considering stability of the workforce and quality educational programs.

Availability and Choice

Recommendation 4:

- ▶ Better planning approaches are needed to address undersupply, especially in outer-regional and remote areas. The ACCC identified location as being the most common consideration when parents are choosing ECEC.^{vi} The NSW Government may provide services directly in some circumstances but should not be set up in direct competition with existing services. We support the NSW Department of Education establishing preschools on school sites where there is unmet demand and recommend planning in collaboration with existing providers to explore capacity and planning for new and extended services to avoid oversupply. The recently announced 100 NSW Department of Education preschools are in some areas with established services. It would be helpful if projected demand is made clear as part of the decision-making process. Extended-hours services should remain in scope of the NQF and Child Safe Scheme, satisfying the same requirements as the rest of the sector. Growth needs to be balanced with equity and quality.

Recommendation 5:

- ▶ We support the NSW Government working with local governments and communities to identify and address planning barriers. Unregulated growth can place viability stress on existing and new providers. We recommend that planning and approvals are streamlined and integrated more closely between local governments and the NSW Regulatory Authority.

Recommendation 6:

- ▶ We support provision of additional fee relief to support longer attendance of vulnerable children in preschools which may include receiving fee relief in multiple services. However, increasing attendances of children with complex needs must be matched with increased program payment and Disability Inclusion Program funding.

Recommendation 7:

- ▶ We support increased Commonwealth and State funding to support children who would benefit from longer attendance, including in areas where there are no other available services.

Recommendation 8:

- ▶ Providers use a variety of different management and reporting systems. A tool for occasional and casual bookings needs consultation and considering service types, digital literacy, and access issues. A proposed digital service aligns with ACCC recommendations to the Commonwealth Government for increased information on www.startingblocks.gov.au which already has capacity to collect fees and vacancy data generated through CCMS. The NSW Government might consider integrating with this platform to avoid duplication.

Recommendation 9:

- ▶ We support advocating for additional Commonwealth support for families in outer regional and remote NSW to help with additional costs for transport or digital access. This could be extended to regional areas or as an interim solution where infrastructure is not sufficiently established.

Inclusion

Recommendations 10 and 11:

- ▶ We strongly support the NSW Government increasing hourly rates for payments to services under the NSW Disability and Inclusion Program for coordination, administration, planning and support time to effectively include children with disabilities and additional support needs, and payment to fully cover the cost of additional suitably qualified staff. Similarly, we strongly support advocating for improvements to the Commonwealth Inclusion Support Program. We support expansion of the Specialist Equipment Library to community preschools in NSW with costs covered by the Inclusion Support Program.

Recommendation 12:

- ▶ We support the NSW Department of Education facilitating arrangements for OSHC on school sites, including shared and dedicated spaces that are conducive to inclusive and quality learning and leisure.

Recommendation 13:

- ▶ We recommend taking guidance from SNAICC on development of resources and strategies for services to provide culturally safe and inclusive care for Aboriginal and Torres Strait Islander children and families in the NSW Department of Education's Aboriginal Cultural Safety Framework.

Recommendation 14:

- ▶ We support the NSW Government including development of resources in community languages for services, community groups and families.

Recommendation 15:

- ▶ We support the NSW Government collaborating with the sector, allied health, and early intervention professionals to develop and trial targeted wrap-around supports to improve access and inclusion for children and families experiencing disadvantage and vulnerability. Funding is needed to support holistic and connected supports. Services must be shaped around the needs of communities and families of all backgrounds. This is especially relevant for Aboriginal and Torres Strait Islander families, and the values, perspectives, and cultural influences that are important to them. We endorse recommendations from SNAICC and Early Childhood Australia for improved outcomes through Aboriginal Community Controlled Organisations.^{vii}

Information

Recommendation 16:

- ▶ We support a comprehensive communication strategy for families to receive information about ECEC during pregnancy and the first 5 years of a child's life, which may form part of a digital strategy.

Recommendation 17:

- ▶ The Commonwealth Government has developed initiatives to communicate FAL obligations, which could include reporting requirements. Data validation checks can be built into systems but should not create added administration for services. Improved data quality and visibility can help with planning and strategic initiatives.

Recommendation 18:

- ▶ We support inclusion being strengthened in the National Quality Standard to promote inclusive practice, but it is an unlikely strategy to help families identify inclusive services.

Recommendation 19 and 20:

- ▶ All services are required by law to display their quality ratings on the premises. Services should be engaging and informing families about the assessment and rating process and involving them in the development of the service's QIP (Elements 6.1.1,7.1.2). Services in NSW also display a star graphic with information about the overall rating of the service. We support the NSW Government reviewing the accessibility of information available to families from culturally and linguistically diverse backgrounds.
- ▶ While comparatively better than other jurisdictions, added focus should be placed on the 9 % of services in NSW rated as Working Towards NQS and reducing the 6 % of services without a quality rating.

Recommendation 21:

- ▶ We support Service NSW being resourced to provide information to families about ECEC.

Funding Arrangements

Recommendation 22:

- ▶ We support the review of NSW funding programs that support access and inclusion. The funding system is complex with frequently changing subsidy and special purpose programs which result in high administrative load. Services should be made aware of funding opportunities and how to apply for them, but competitive tenders might exclude NFPs and small providers without the resources to fund development of bids. Competition for resources can also result in missed opportunities for collaboration and impact. We support the trial of integrated service provision models in identified areas of need.

Affordability of Services

Recommendation 23:

- ▶ We support the recommendation for the Commonwealth Government to examine the circumstances and needs of families using ECEC with household incomes under \$20,800 and review affordability benchmarks^{viii} that are higher than the OECD average to provide additional supports for these families. Assessing the impact of affordability in terms of percentage of household income can offer comparison but may need adjusting for household size and composition.

Recommendation 24:

- ▶ We support the recommendation for OSHC providers to add excursion costs as part of advertised fees to improve transparency and to include in charged fees so that CCS can be applied to reduce out-of-pocket costs for families.

Recommendation 25:

- ▶ We support the NSW Government improving data transparency, collection and sharing arrangements, including with the Commonwealth Government for fees, subsidies, rebates, and out-of-pocket costs.

Recommendation 26:

- ▶ We support making the CCS application process easier for families.

Recommendation 27:

- ▶ We strongly recommend removal of the CCS activity test.

Recommendation 28:

- ▶ We support the NSW Government working with the sector to provide more transparency of fees charges and subsidies that apply to reduce out-of-pocket costs for families. Consideration could be given to integrating digital services with www.startingblocks.gov.au.

Supply of Services

Recommendation 29:

- ▶ We support the Commonwealth Government making enrolment and attendance data collected through CCS to be made publicly available to inform planning and decision making of service providers and governments.

Recommendation 30:

- ▶ We strongly support the NSW Government updating the *NSW Early Childhood Education and Workforce Strategy* to support state-based initiatives and complement the National Workforce Strategy, including:
 - Options for funding services to provide time for reflection, planning, coordination, and professional learning
 - Specific actions for attracting and retaining identified groups, including teachers, rural and regional educators, Aboriginal and Torres Strait Islander educators, educators from CALD backgrounds, and educators working with children with additional needs
 - Training support for Aboriginal and Torres Strait Islander, rural and remote students and educators, such as digital access and practicum opportunities.
 - Provision of practice supervision, mentoring initiatives, and professional support networks to support students and educators
 - Financial incentives for trainee placements, qualifications, and retention

Recommendation 31:

- ▶ We support nationally coherent incentives for the attraction and retention of teachers and educators but recognise each jurisdiction may need specific inducements to address local barriers. We value culturally and linguistically diverse educators who provide culturally safe and inclusive care and recognise that pathways for learning and qualification equivalency is particularly important when coupled with skilled migration initiatives. Initiatives, including accelerated workforce programs and microcredentials, must not diminish essential skills and knowledge development or teaching quality, and support desirable completion rates. Funding needs to be sufficient to meet professional learning and release time requirements for teachers and educators supporting children with complex needs.

Recommendation 32:

- ▶ ACECQA has developed a fact sheet to support understanding of changes to the NQF that came into effect on 1 July 2023 for short term educator relief.

Recommendation 33:

- ▶ We support a review of the application process for the Start Strong Capital Works Grants Program and Childcare Economic Opportunity Fund to make it simpler.

Recommendation 34:

- ▶ We support the NSW Department of Education exploring strategic partnerships in rural and regional areas with providers to co-locate services on school premises, where available. Equally, partnerships can be explored for urban planning to deliver equitable and sustainable outcomes.

Recommendation 35:

- ▶ Better planning approaches are needed to address undersupply and barriers, especially in outer-regional and remote areas. We strongly support better coordination of the planning and regulatory process, including provisions of the State Environmental Planning Policy and innovative solutions so that communities are not disadvantaged by their location or population size. This includes outcomes of the NSW Government's Flexible Initiatives Trial to test new or adapted flexible operating models, which should also examine transition and post-implementation funding for service viability.

Recommendation 36:

- ▶ We do not support the NSW Regulatory Authority developing a waiver policy on regulatory space requirements for services located on school sites. We advocate strongly for standards on physical environments that are favourable for children's safety, learning and wellbeing and are consistent across the ECEC sector for children in centre-based services.

Provider Costs and Revenue

Recommendation 37:

- ▶ We support a review of ECEC funding programs and grants to promote long term planning and reduce administrative burdens associated with application, reporting and acquittal, with cost of these activities covered by the program or grant.

Recommendation 38:

- ▶ We support data transparency between government agencies to improve evidence-based decision making by families, providers, and the NSW Government.

IN SUMMARY

KU applauds the NSW Government on the review to inform strategic planning and investment for accessibility, consumer choice and affordability. There are several inquiries and reviews happening in parallel and we urge IPART to elevate recommendations for the NSW Government to address barriers, including the supply and affordability of services, to improve access and choice for families in NSW, and the provision of equitable and inclusive services, and workforce stability.

We call on the NSW Government to implement recommendations that support:

- ▶ Accessible, affordable, inclusive, high quality ECEC
- ▶ A skilled and stable workforce
- ▶ Effective and sustained Government engagement and investment

Thank you for the opportunity to comment on interim report findings and recommendations. We are available to discuss anything raised in this submission.

If you require more information, please contact [REDACTED]

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- ⁱ Australian Children's Education and Care Quality Authority (2021). [Shaping our future: a ten-year strategy to ensure a sustainable, high-quality children's education and care workforce 2022–2031](#)
- ⁱⁱ Centre for Policy Development (2021). [Starting better: A guarantee for young children and families](#)
- ⁱⁱⁱ Skattebol, J., Blaxland, M., and Adamson, E. (2021). [The five aspects of effective engagement in early childhood education: Approachability, acceptability, availability, affordability, appropriateness](#)
- ^{iv} Australian Children's Education and Care Quality Authority (2023). [NQF snapshot Q3 2023](#)
- ^v Australian Competition and Consumer Commission (2023). [Childcare inquiry: Interim report, September 2023](#)
- ^{vi} Australian Competition and Consumer Commission (2023). [Childcare inquiry: Interim report, June 2023](#)
- ^{vii} SNAICC and Early Childhood Australia (2019). [Working Together to Ensure Equality for Aboriginal and Torres Strait Islander Children in the Early Years](#)
- ^{viii} Noble, K. and Hurley, P. (2021). [Counting the cost to families: Assessing childcare affordability in Australia](#)