

Background

We welcome the opportunity to provide a submission on behalf of [REDACTED] in response to the IPART Review of Early Education and Care. [REDACTED]

As providers, [REDACTED] is critically aware of the importance of listening to the voice of children and providing services that are safe, enjoyable, and enriching for them as well as the important role we play for families and our nation's productivity. The view of [REDACTED] is that fundamentally, children require safe, engaging, age-appropriate care delivered by a quality workforce.

This submission supports the need for OSHC services to be explicitly considered in Early Childhood Education and Care (ECEC) policies and regulation and emphasises the differences between OSHC services and early learning services.

Further the submission reaffirms [REDACTED]'s ongoing commitment to ensuring that the policies, regulations and funding models that govern our sector are fit for purpose and appropriate for the school aged children we educate and care for. The submission also acknowledges the cost burdens that are created by regulation including the impact of the varied regulatory environment seen across Australian jurisdictions.

Overall, [REDACTED] underscores the importance of understanding the specific needs and nuances of the OSHC sector to ensure that any policy changes support workforce quality, service viability, and affordable care for families.

Response to Draft Findings

Draft Finding 1

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

Agree

██████████ agrees with this finding and notes that in addition to the complexity for families there is also a substantial burden placed on services and staff who are required to support families navigate these challenges which can result in staff spending time away from the core business of educating and caring for children.

██████████ has been a long-term advocate for a nationally consistent set of regulatory requirements for the governance of the OSHC sector. National consistency is a valuable objective that improves quality and compliance while reducing the complexity and costs of operation.

There are also opportunities to simplify rebates across OSHC and early learning services. For example, multiple child discounts are only applicable for children attending Child Care Subsidy (CCS) eligible services who are not at school, despite both OSHC and ECEC services being federally funded through the Child Care Subsidy.

Any changes to funding models should be done in close consultation with all service types such as OSHC services that have different operating models and structures to long day care services, preschool and In Home Care.

Draft Finding 3

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.

Agree

Workforce challenges for the OSHC sector are severe and ongoing and have a direct impact on our ability to deliver services for the families we support. ██████████ has been a longtime advocate for measures that will improve the supply and accessibility of staff for OSHC services.

One of the key challenges for the OSHC sector is the lack of national consistency across the regulations that govern our operations. There is no national list of prescribed qualifications or ratio requirements required for OSHC settings across Australia, with each jurisdiction determining their own qualification and supervision requirements.

Comparing Australian jurisdictions, it is clear that higher regulation or higher minimum employee qualification beyond the already high national standards are not having a direct impact on service quality. As shown below, while Victoria has significantly higher minimum qualification standards for staff, NSW has more services exceeding the national quality standards.

Overall quality ratings in OSHC¹

State	Working Towards NQS	Meeting NQS	Exceeding NQS
VIC	9.7%	82.1%	8.3%
NSW	12.7%	76.2%	10.9%
QLD	13%	75.9%	11.1%

¹ [NQF Snapshot Q1 2023 \(acecqa.gov.au\)](https://www.cecq.gov.au/nqf-snapshot-q1-2023)

As multijurisdictional providers, an inherent challenge faced by OSHC providers is that we are required to manage the complexity and incur the cost burden associated with the regulatory differences in the states we operate in. Whilst funding is national, the way we deliver services is not and is sometimes considerably different.

Draft 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

Agree

OSHC services play a critical role supporting children experiencing vulnerability who require care before and after school, and during school holidays, to meet their physical, social and emotional needs and would support any measures that help ensure greater access to services for children and families experiencing vulnerability and disadvantage.

In some instances, considerations of supply-side subsidies may be an appropriate mechanism i.e. in rural areas or for services supporting children with disabilities.

Looking to other jurisdictions, supply-side subsidies have been well received by providers and made care more affordable for families.

Establishment Grants, introduced by the Victorian Government have created hundreds of new services in rural and other thin markets. Specialist schools or schools that have material behavioral challenges cannot typically run commercially as they often require a 1:2 ratio to operate. The high intensity program in Victoria is an example of a supply side subsidy that is making this complex service delivery viable.

Response to Draft Recommendations

Draft Recommendation 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.

██████████ supports this recommendation noting that it would be important for the needs and challenges of the OSHC sector to be explicitly considered in any ongoing work.

While OSHC services are funded through CCS like early learning services, there are a few significant differences which would require consideration.

OSHC services typically have lower margins when compared with early learning providers and less flexibility when setting prices as well as greater volatility in revenue. The lack of permanency in relation to bookings creates additional challenges in relation to meeting ratio requirements and staffing needs which also contributes to higher costs.

Across Australia OSHC services are the fastest growing service of any care type when looking at number of sessions delivered. OSHC services are also much lower cost than daycare services. Average costs for OSHC services are around \$8/hour (with the government CCS rate set at \$11.15 per hour) compared with around \$11/hour for long day care (with the government CCS rate set at \$12.74 per hour).

The primary purpose of OSHC services is providing high quality care that allows parents to work the hours they need to do their jobs well and support outcomes for children and their families. Working with school communities, OSHC providers can support safe and inclusive place-based services that support and enable children to be lifelong learners and global citizens. Without access to the quality services, parents – particularly women – would be unable to work, will choose not to work, or not work as many hours as they would like.

Draft 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.

██████████ supports this recommendation and again notes the importance of explicit consideration of the OSHC sector in any strategy work.

We also note that OSHC is often viewed as a steppingstone to employment in other parts of the care sector. Many staff who begin their careers in OSHC, successfully continue their work in the education sector either as teachers or educators – this makes OSHC a critical feeder and trainer of employees for those parts of the sector.

██████████ has consistently advocated for changes that would increase the availability of staff for OSHC services with a focus on the need for nationally consistent ratio and qualification requirements that are appropriate for OSHC services and reflect the needs of the school aged children we support.

The quality of OSHC services in NSW is typically very high with the overwhelming majority of services meeting or exceeding national standards.

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