

ELAA'S RESPONSE TO THE PRODUCTIVITY COMMISSION

FEBRUARY 2024



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AUSTRALIA

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Acknowledgment of Country

Early Learning Association Australia (ELAA) acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation and the Traditional Custodians of the lands on which we work. We recognise their continuing connection to culture, land, water, and community. We pay our respects to Elders past and present.

ABOUT US

Early Learning Association of Australia (ELAA) is the national peak body championing excellence and equity in Early Childhood Education and Care (ECEC). We enable service providers to deliver quality ECEC and provide advocacy, high quality advice and resources in a collaborative, equitable way. ELAA is the voice for service providers and represents over 1,400 service sites that deliver a range of ECEC, predominately kindergarten and long day care, across Australia



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Introduction

ELAA was pleased to read the findings and recommendations published in the Productivity Commission's draft report A path to universal early childhood education and care. The breadth of scope of this inquiry into ECEC offers the opportunity for the ECEC sector to adequately consult with the Commission about the needs of the sector. We encourage the Productivity Commission to hold firm in its ambitious recommendations in the final report.

Supporting vulnerable children to thrive is both essential social policy and has long-term positive and cumulative effects on the economy (Jones, et al., 2021). We know that nearly half of the children that start school behind stay behind, and that they are less likely to complete Year 12 and go on to further education and employment. Further, they are likely to suffer the ill effects of this throughout their lives through higher rates of welfare dependency, chronic disease, mental health issues, housing issues and are more likely to be incarcerated (Lamb & Huo, 2017).

If more children start school developmentally ready, they are more likely to reach major education milestones and to transition to work and contribute economically. This has flow-on intergenerational impacts. By structuring a funding system matched to need; managing the market to drive growth in quality provision; and investing in the community sector to enable access in thin markets we can grow participation of vulnerable children and enable children to thrive.

This submission addresses several of the calls for information provided in the draft report. We believe that Australian ECEC services can expand both geographically and in quality and provision with adequate support. With a well-managed market and a focus on empowering services to deliver best practice programs, Australian children will thrive. It is important for the Productivity Commission to offer recommendations that recognise and address the additional barriers regional services must overcome and that the Commission's approach understands the needs and nuance of the ECEC sector, involving all levels of government to ensure a localised approach is taken.



NAVIGATING A COMPLEX SYSTEM

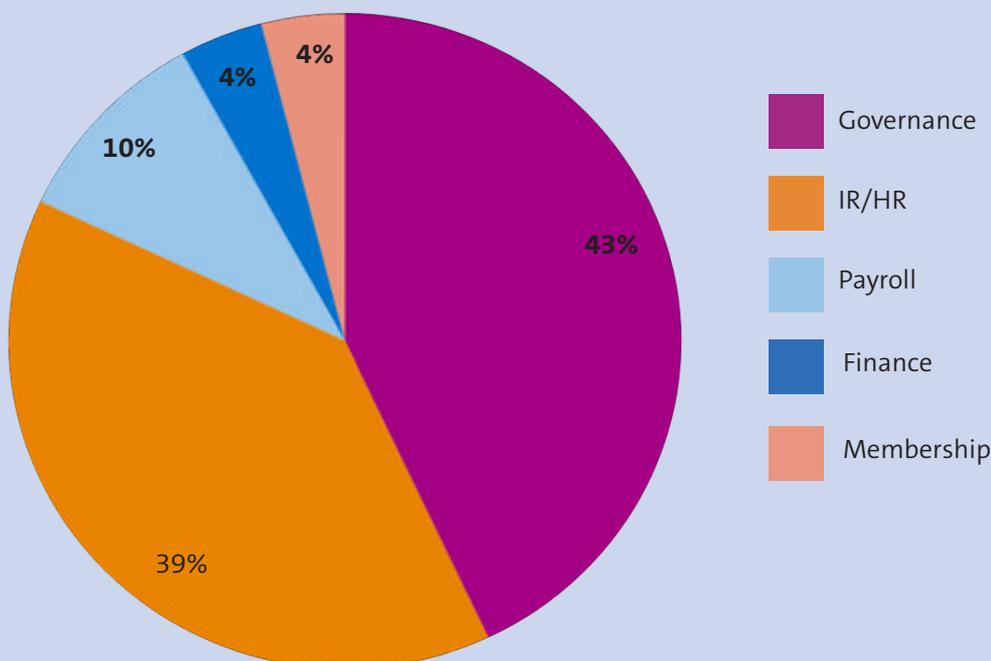
The Australian Government has identified the important role that ECEC has on the long-term success of Australian children. There has been considerable investment from all levels of government into improving the accessibility and quality of ECEC. Notably, the recent extension of the Child Care Subsidy and the Best Start, Best Life reforms in Victoria have demonstrated that there is a demand for quality ECEC to be available to children and their families.

The Australian Competition and Consumer Commission (ACCC) final report (2023) and the Productivity Commission's draft report both acknowledge the complexity of Australia's ECEC can create barriers for both families and service providers. Governments play a role as policymakers, funders and regulators. The siloed nature of how the Australian and state governments interact has proven to create barriers for services (and their families) that are the most vulnerable.

Not only do different functions of ECEC offer different streams of funding for a service, but there is also a lack of shared data on enrolments. For example, regional locations, such as Victoria's Nagambie, offer long daycare but apply for infrastructure grants that rely on preschool enrolment data. As a result, they are left shorthanded, despite their communities' demand for long day care positions (Butler, M, 2023).

There is evidently a need for service providers to receive guidance and support in navigating the system to produce high quality ECEC programs. ELAA spends a considerable amount of our resources in supporting service providers across Victoria. As a consequence of this, between 2022 and 2023 over 1,500 hours of support was provided to ELAA members by our Member Solutions advisors. 43% of these hours was spent on issues relating to governance, including how to navigate legislation, funding, state and federal policy, and service management.

TERM 3 2022 - TERM 3 2023



FORMING AN ECEC COMMISSION

ELAA understands the Productivity Commission's suggestion to appoint an ECEC Commission to oversee and guide the sector's varying needs and systems. However, there is currently several different governing bodies across the jurisdictions, including national regulators such as the Australian Children's Education and Care Quality Authority (ACECQA) and The Commission for Children and Young People (CCYP). For a Commission to be successful, there must be a review into the roles each government has in ECEC and where their efforts and skills are best spent.

The South Australian Royal Commission into Early Childhood Education and Care recommended in their final report (2023) that states and territories should be responsible for:

- ensuring quality in long day care, preschool and out of school hours care (OSHC)
- enabling families to be connected to the information and supports they need by building the capacity of ECEC services to form the backbone of an early child development system.

And the Australian Government should have responsibility for:

- ensuring that long day care is accessible and affordable for all
- ensuring preschool for three and four-year-olds in long day care is accessible and affordable for all
- ensuring OSCH, including that provided for preschool aged children in government preschools, is affordable, with service accessibility a shared responsibility given the role of the states and territories in enabling OSHC delivery at government schools and preschools
- providing inclusion support in long day care, preschool and OSCH, including meeting the needs of children requiring 1:1 support to ensure their health, safety and wellbeing and to encourage active participation in the program.

Adopting this recommended responsibility model and committing to sharing the states' preschool data and the Australian Government's Child Care Subsidy (CCS) data should make for a more streamlined system.

If an ECEC Commission is formed, then its role should only be to simplify the current systems and act as a body that ensures that legislative and policy reforms are cohesive and beneficial to service providers and families across the country.



EMBEDDING CULTURALLY SAFE PRACTICE

Cultural safety in ECEC services, particularly for Aboriginal and Torres Strait Islander and culturally and linguistically diverse (CALD) families and children, is a multifaceted issue that requires a collaborative approach between services and their communities. Actively seeking feedback from Aboriginal children and their families about effectiveness and areas for improvement across ECEC services is crucial. Cultural safety needs to be embedded at all levels of an organisation for it to be effective; from individual attitudes, values and behaviours, to policies, programming and leadership.

Narragunnawali is a program managed by Reconciliation Australia. Narragunnawali (meaning alive, wellbeing, coming together and peace in the language of the Ngunnawal people) provides practical ways to introduce reconciliation in the classroom and the communities that interact with them.

The program offers curriculum resources and professional learning to support services to embed culturally safe practices.

Their resources are entirely free and offer effective tools to promote the provision of culturally safe ECEC, allowing children to engage in critical thinking and inquire about their identity and role in creating a safe community.

While professional development in building cultural safety is crucial, it might not be sufficient on its own to promote inclusion in ECEC services. Other components, such as policy adjustments, resources for implementing culturally safe practices, and a framework for evaluating and improving cultural safety, might also be necessary.



By rewording the current National Quality Standard (NQS) areas 5 and 6, teaching teams will be empowered to expand their current approach to each quality area while developing their Quality Improvement Plans (QIPs). This could be done without creating new administrative burdens that additional cultural competency frameworks may impose. Proposed changes to the NQS include:

National Quality Standard	Current Wording	Proposed Change
<p>Quality Area 5 – Relationships with children</p>	<p>Standard 5.1 - Relationships between educators and children Respectful and equitable relationships are maintained with each child.</p> <p>Element 5.1.1 - Positive educator to child interactions, Responsive and meaningful interactions build trusting relationships which engage and support each child to feel secure, confident and included.</p>	<p>Standard 5.1 - Relationships between educators and children Respectful, equitable and inclusive relationships are maintained with each child.</p> <p>Element 5.1.1 - Positive educator to child interactions, Responsive and meaningful interactions build trusting relationships which engage and support each child to feel secure, confident, culturally safe and included.</p>
<p>Quality Area 6 – Collaborative partnerships with families and communities</p>	<p>Standard 6.1 - Supportive relationships with families, Respectful relationships with families are developed and maintained and families are supported in their parenting role.</p>	<p>Standard 6.1 - Supportive relationships with families, Respectful relationships with families are developed and maintained and families are supported in their parenting role and empowered to share their cultural diversity.</p>

Promoting cultural safety in ECEC services requires a comprehensive approach that includes policy changes, professional development, community engagement, and continuous evaluation and feedback. By addressing these areas, ECEC services can become more inclusive and respectful of the diverse cultures they serve.

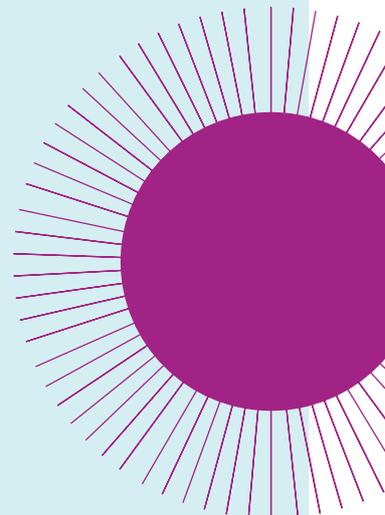
SUPPORT GREATER ACCESS TO OUTSIDE PRESCHOOL HOURS ECEC

ELAA's previous submission to the Productivity Commission acknowledged the need for sections 194D and 195C of the Family Assistance Law to be amended. This amendment would allow preschools to claim Child Care Subsidy (CCS) for additional hours outside of the standard preschool hours. This simple change could be key to unlocking children's access to ECEC and ensure all families can benefit from the recent changes to the CCS.

In our submission, we highlighted that this change would be the most beneficial to lower socio-economic areas and regional/rural locations. The sessional kindergarten model, of children attending a limited number of government funded hours (usually 15) per week (most often over two to three days – for example 8am to 3:30pm two days a week) limits the capacity of parents to work.

Some sessional preschools have overcome this barrier by offering extended hours and or days to families, but this is at full fees without the benefit of CCS. In lower socio-economic suburbs there is also demand but no capacity to pay, and in rural and regional areas the local kindergarten may be the only provider.

As an example, a kindergarten in country Victoria applied to deliver occasional and after kindergarten care in 2021. They did this prior to expanding their kindergarten offering so they could ensure their kinder hours, of 15 hours per week, were less than their CCS hours of 17 hours of care. As one of only two services in the community this made a big difference to families. However, with the scale up of kindergarten for three-year-olds they now need to offer more hours of kindergarten than CCS places. They are unsure if they will continue to be able to deliver extra subsidised hours.



In other rural communities, that offer three days of kindergarten, services are unable to offer CCS places on the other days. At present providers need to choose – will they prioritise kindergarten or long day care?

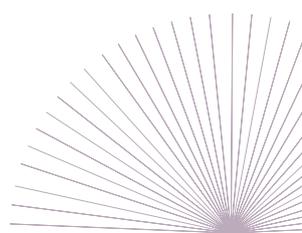
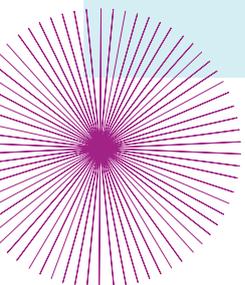
They cannot do both within the current funding parameters and this is not fair for providers, children or families. We asked parents that attend a regional service run by an ELAA member about how an extension to the CCS would benefit their families. Their responses were:

“ If CCS covered extended care this would mean an added \$900 back into our annual household budget. It would mean that it would increase our food budget or perhaps go towards my kinder child accessing an extracurricular activity like swimming lessons. ”

“ Sometimes I have to wait an extra month to three months to see my specialist if it's on a week that I can't afford the fees for kinder. ”

“ If extended care was subsidised our family would have used it earlier, giving us both more availability to work a full day on the Wednesday. The extra cost seemed prohibitive until I was offered a permanent position on Wednesdays and knew I could cover the cost. ”

Enabling kindergartens and preschools to offer subsidised places outside of funded preschool hours would enable better use of existing infrastructure and support more families to access the ECEC they need to combine work and child rearing. It also maximises productivity in services by enabling teachers and educators who choose to work full-time to do so, unlike in most kindergartens where roles are usually offered part-time given the sessional operation.



ACHIEVING ACCESSIBILITY

Access should not be limited by activity

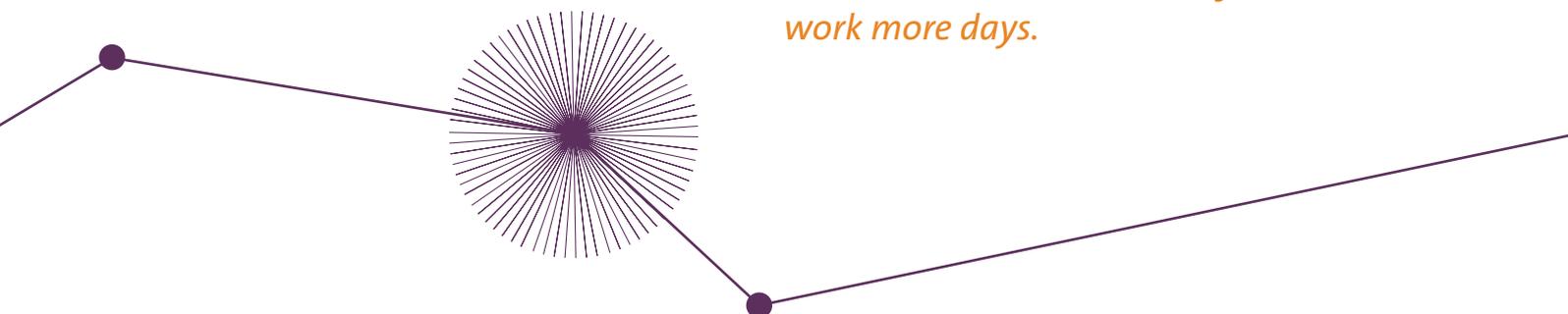
Increasing labour productivity and incentivising more Australians to work depends heavily upon access to ECEC. The Grattan Institute's report *Cheaper childcare: A practical plan to boost female workforce participation* provides evidence into how an increase in female workforce participation is one of the biggest opportunities for governments. Australian women are more likely to work part-time with an average of 2.5 days per week for women with pre-teenage children. This is partly due to numerous missed opportunities by governments to support the ECEC sector (Wood et al., 2020). One of the biggest barriers to women's inclusion in the workforce is the cost of child care which acts as a barrier for women to re-enter the workforce or to work more days.

The CCS Activity Test can act as a break on families working more hours. Families who work casually may be challenged to access the hours of care they need, as they cannot afford more hours if it is not subsidised and may not be able to predict their work hours in advance.

ELAA's vision for the ECEC sector is centred on the needs of children. Early childhood is the period in which a child's brain experiences most of its development, and through quality ECEC we can protect against risk factors and support all children, particularly the most vulnerable, to remain developmentally on track and able to transition to school and succeed. Fees are not the only barrier to early childhood education but do pose a significant challenge to engagement in ECEC. Even small fees can pose a barrier to access for vulnerable children.

Children, particularly vulnerable children, should not have their access to ECEC limited by the activity of their parents. The recent changes to the CCS and the Activity Test have been welcomed, but they aren't enough. ELAA recommends that the Activity Test is removed, and that the Australian Government funds a minimum of 36 hours of subsidised ECEC per week, for all children. This will have both a positive impact on the lives of children, but will allow for families to return to work, whether it be casual or full-time.

One of the biggest barriers to women's inclusion in the workforce is the cost of child care which acts as a barrier for women to re-enter the workforce or to work more days.



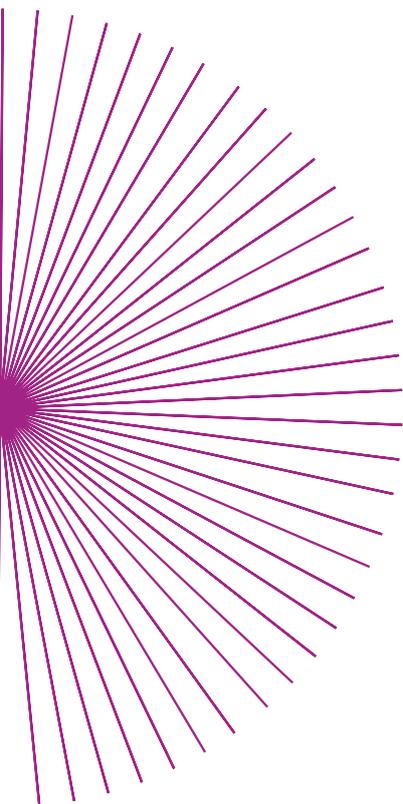
Managing the market

Not-for-profit ECEC providers often face significant challenges due to the competitive nature of the sector. This has led to a landscape where for-profit providers that are driven by profit often engage in acquisitions and mergers to further their expansion. This style of market is not advantageous to not-for-profit providers, due to their focus on social and community benefits rather than profit. This is demonstrated in the lack of growth within the not-for-profit sector.

Not-for-profit providers are more likely to expand into regions that are considered financially unviable but have a demand for early childhood education and care, such as lower socio-economic regions and regional/remote locations. This makes not-for-profit providers subject to relying on government funding to remain open, rather than having additional wrap around services that they can cross-subsidise their expenses with. In a metropolitan setting, not-for-profit expansion tends to be through acquiring smaller not-for-profit services that need management support, or through government funded infrastructure grants.

Not-for-profit providers often reinvest any surplus back into their services, focusing on quality care and education rather than expansion. The Australian Competition and Consumer Commission's (ACCC) final report (2023) identified that not-for-profit providers invest more into their workforce, often paying above award wages, which reduces their prospects of expansion.

Whereas 41% of large for-profit providers charge an hourly fee over the hourly rate cap, compared to the 15% of large not-for-profit providers that do the same. Although for-profit providers tend to be responsible for almost all growth in the sector, the areas they expand into are often major cities and highly profitable areas, as opposed to smaller markets that would benefit the most from having a stable supply of ECEC.



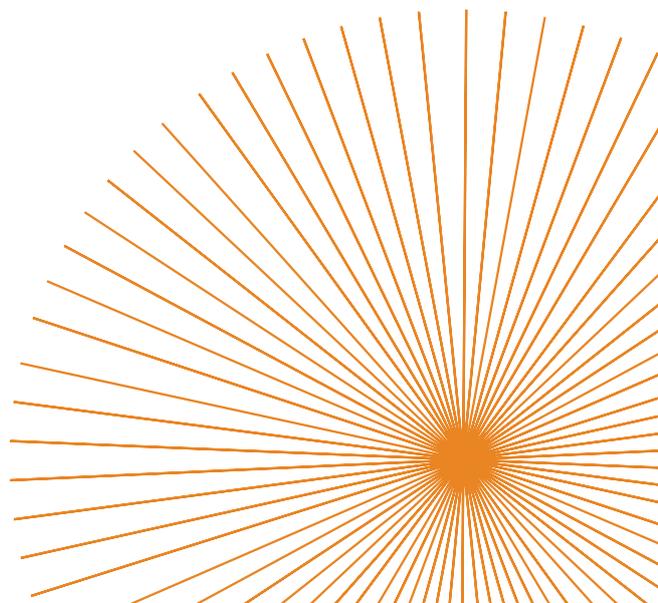
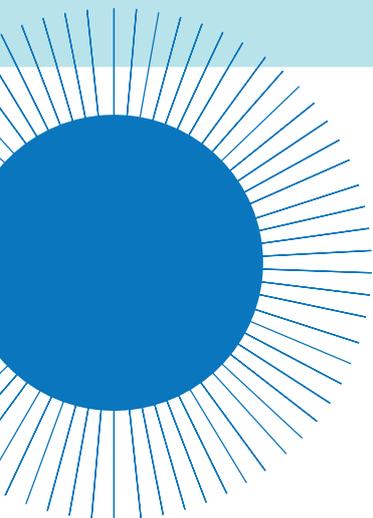
A market stewardship role should be considered by the Australian, state and territory governments, in partnership with local government, to ensure that thin markets can be addressed and that their communities' needs are met. This stewardship role should take into account the additional costs faced by providers in lower-socioeconomic and regional areas or that have cohorts of families and children with additional needs.

As mentioned above, not-for-profit providers tend to be the only suppliers in these regions and to supply a program that is of high-quality and is equitable, they often must operate at a higher cost often driven by higher staffing costs – with additional expenses to attract and retain a workforce in regions that have a limited pool of qualified teachers and educators. Often they staff over ratio to cater to training and wellbeing support – this is vital to providing adequate support to families and children with additional needs or that need additional resources to engage with ECEC

Governments seeking to maximise outcomes in ECEC, for example by investing in infrastructure to address ECEC deserts (Hurley et al., 2022), should prioritise quality and children's outcomes and target additional investment toward the community ECEC sector.

New approaches may be needed to support the not-for-profit community sector to grow its footprint. The community sector often relies upon volunteer governance to support the efficiency of operations, but this is not always sustainable given the necessary regulatory burden on ECEC providers. Innovative options exist, including employing directors and other administrative staff to reduce the burden on committees and ensuring tasks are not delegated to teaching staff. Other options include clustering providers together to provide a centralised model of operations.

The Productivity Commission should examine the New Zealand model of market management, mentioned in ELAA's previous submission to the Commission, with a view to implementing a more managed approach over the next five years. A sufficient lead time is required to work across jurisdictions and develop an approach that will suit the Australian context and ensure sufficient stock of quality ECEC is supported.



LIFTING QUALITY ACROSS THE SYSTEM

Support for services to meet the NQS

Goulburn Region Preschool Association (GRPSA) manages 17 kindergartens in regional Victoria. GRPSA has and continues to provide children in the region with access to quality ECEC, but this does come at an additional cost. Regional and rural service providers experience unique challenges that metropolitan service providers do not have to overcome. These challenges often mean that providers are not adequately supported to meet the NQS. Organisations like GRPSA take on a considerable financial burden to boost the social outcomes for their communities.

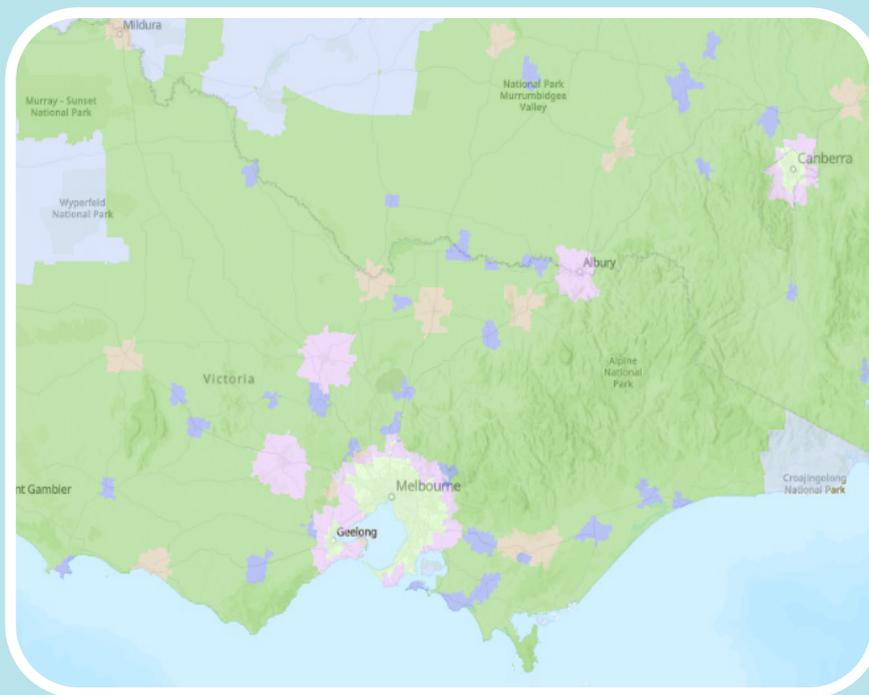
Regional providers struggle to gain enough staff to meet ratio requirements, which can result in session closure or a reduction in the number of enrolments that they can provide. Due to the national deficit in skilled ECEC educators and teachers, regional organisations like GRPSA find that there is insufficient access to staff and relief staff that have the adequate skills and qualifications to meet the needs of their community. This creates a burden for the existing staff within services, as they are often responding to the additional needs and demands of families that do not have readily accessible wrap-around services such as allied health, as well as working at a lower educator-child ratio than usual.

Limited access to workforce and support services are not the only barriers that regional providers grapple with. Infrastructure and transport are not as advanced as in metropolitan areas. To empower services to focus on meeting and exceeding the NQS, there must be a considered approach to supporting regional locations. These considerations should take into account:

- these locations have aging facilities that are not owned by the providers, often requiring maintenance and upkeep costs
- a lack of public or subsidised transportation to support community transport options
- limited financial resources to support exceeding programs such as transportation to bush kinder
- the need to enable experienced teachers and educators to provide ongoing mentorship to a new workforce.

These challenges are still experienced by regional, rural and remote providers, despite the various grant programs designed to support these types of providers. ELAA recommends that there should be a different approach to funding these regions. Existing funding models exist and could be used to reassess how rural ECEC is funded.

The Modified Monash Model (MMM) is a map that defines whether a location is metropolitan, rural, remote or very remote. This is informed by the Australian Bureau of Statistics census data and informs the distribution of the health workforce better in rural and remote areas (The Department of Health and Aged Care, 2023).



Modified Monash Model Map of Victoria

MM1	Metropolitan
MM2	Regional centres
MM3	Large rural towns
MM4	Medium rural towns
MM5	Small rural towns
MM6	Remote communities
MM7	Very remote communities

The MMM uses data to prove that regions cannot be separated into either metro or rural areas.

The research underpinning the MMM showed that the remoteness and population size of a town provides a reliable, accurate measure to determine how attractive it would be for a medical practitioner to want to work and live in that area. This same method, or a similar one could be applied to educators and teachers to evaluate how much investment is needed to incentivise a workforce to move to areas based on their level of remoteness.

The current system does not fund or support those that need it most, rather it is constructed based on services that historically meet existing frameworks. The localised nature of ECEC creates the need for a nuanced approach to how each area is supported. For there to be consistency in quality, services must be supported based on their communities needs.



Contribution supplied by Glen Education

As a not-for-profit early year's organisation, Glen Education's historical roots are grounded in the belief that our purpose is to provide exceptional management and high-quality service provision to the community. Our current offerings include kindergarten programs, holiday care, inclusion and education support and the delivery of professional development. Glen Education is committed to being an employer of choice and the ongoing development of our people. We have a geographic reach across five local government areas and provide early childhood education and care to more than 2000 children. Our staffing consists of some 200 employees – including 160 educational staff, over 20 casual staff, and 20 employees to support operations at our head office. Over the last 11 years, Glen Education has achieved an exceptional record with respect to quality service provision. Throughout the organisation's history, Glen Education (and previously GEKA) has achieved an exceeding rating at every Assessment and Rating conducted by the Victorian Department of Education*.

*One service in 2023 (that has been open for less than two years), received a rating of 'meeting' with feedback provided from the Department that there had not been enough time for the service to embed exceeding themes

Key factors contributing to high quality programs

Our contemporary programs are reflective of current research, support shared responsibility with families and build a strong foundation for children to successfully transition to school. Another measure used to assess success of this strategic priority is our annual family survey, which identifies quality reputation as a key factor in selecting an early years' service.

To achieve high quality, one of the most significant drivers for the organisation (and consistently reinforced by the Board) is that we are to remain responsive. Every service is visited by a member of the head office team at least once a week. To drive high quality, you must know your staff, you must know the needs of families, and you must have a presence at each service to constantly review, assess, critique, and observe what they need to drive continuous improvement. Glen Education invests significant capital back into each of its services to ensure the provision of high-quality. Each year, approximately six per cent of the organisation's budget is spent upgrading the services to provide a welcoming, safe, contemporary, and beautiful environment.

To fund the examples provided, Glen Education recognised some years ago that it needed to look at its operating model and make some adjustments. It is a known fact that in order to be financially viable as an EYM, enrolment capacity must be maximised. A few years ago, Glen Education made the decision to offer 'private places' to families in the form of additional days, when groups were not fully exhausted. The organisation moved away from a 'grouping' model, to a 'daily' model – similar to childcare. What this means is that after all funded places have been offered, if there are places available, families have the option of attending up to a further three days per week at a fee. Whilst Glen Education fully acknowledges that the demographic in which it operates is one where many families can afford this option, there are ways that this could be offered by other EYMs (and committees of management) through a revamp of how kindergarten is funded by Government. To ensure sustainability – enrolments are needed – this is what generates revenue, and in turn, allows organisations to invest back into high quality programs rather than struggling to keep the lights on.

Examples of successful initiatives that have enhanced quality

1- Dedicated Inclusion Roles -

To ensure inclusive practice throughout the organisation, and to support children that need additional support (but that do not attract Kindergarten Inclusion Support (KIS) funding), Glen Education has two dedicated inclusion roles. These positions are part of the Educational Leadership team and prove invaluable when it comes to maintaining quality. All parents are contacted prior to the start of the kindergarten year to fully understand their child's requirements if they have identified on the enrolment form that support is required. These roles provide assistance in writing KIS applications, and the provision of advice, mentoring and support to teachers and families within our programs to support children.

Glen Education also made the decision in 2023 to provide KIS to those children in receipt of Government funding for their 15 hours program, but that attend for additional days. To ensure inclusive practices (and in turn, quality service provision), Glen Education now provide this support for any child attending for additional days that may need it. Whilst this comes at a financial cost to the organisation, it was a decision that aligns with our strategic imperatives.

2- Annual Staff Engagement and Alignment Survey -

In order to drive high quality and continuous improvement, Glen Education engages an external company every two years to provide an in-depth Alignment and Engagement survey to all staff. This comes at a significant cost to the organisation, however, proves invaluable when looking at how we can improve

upon practices. On the alternate year, Glen Education undertakes a 'pulse check' that aligns with the more fulsome survey. Feedback is used as a driver for continuous improvement, which in turn drives higher quality service provision. The survey is a useful metric to assess how engaged and aligned our staff are with our strategic goals. Given the significant investment in our staff, the results clearly demonstrate that this is a worthwhile approach.

3- Team teaching -

At Glen Education, the role of educators is to adapt the curriculum and teaching strategies, to support children's development to maximise the educational benefits for children of all ages. The greatest benefit of having educational teams working across the week (rather than being restricted to one 'group' or limited days), is the expertise and individuality that each person can offer the team and the children. We all know that each of us bring to the programs, our own diverse experiences, and unique perspectives. When children learn from us as a team, they are exposed to many varied ways to solve problems and are presented with multiple opportunities to build content knowledge.

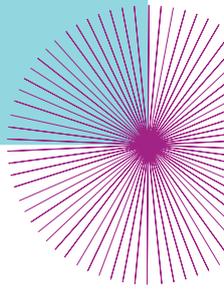
Our Educators reassure families of the benefits of team teaching across the week, especially how they communicate information between each other about the individual needs and learning abilities of each child. Consistency is achieved by having a familiar team of educators working consistent days across the week –

Recommendations for enhancing support for services to exceed the NQS

Glen Education was proactive years ago in recognising the need to generate additional income through sources other than Government. We do not have the luxury of cross subsidising the delivery of kindergarten through other child and family programs that many larger EYMs or councils can – we had to be innovative within our remit. Most of our services are single room, and we recognise that this may become more challenging for us as the Best Start, Best Life reforms roll-out. Three years ago, we introduced mixed aged groups and team teaching at our services to ensure that we were ready for the changes ahead.

The funding model should provide incentives for achieving exceeding standards. This could be in the form of a one-off payment following an assessment or it could be a higher per capita rate for services that have an exceeding rating.

Funding for organisations to assist others in the sector to increase quality would be of benefit. This would enable the sharing of knowledge across the sector and acknowledge those providers that are experts in high quality service provision.



Regulatory actions against serial underperformers

Referring to services as 'serial underperformers' introduces several challenges, impacting both the service providers and the communities they serve. Labelling them as 'serial underperformers' can create a stigma, leading to a negative public perception that might be difficult to reverse. The ACCC Inquiry into Childcare 2023 interim report, explains that when choosing a service for their children, perceived quality and reputation is a considerable factor in parent decision making. Often parents look for indicators of quality that are outside of the National Quality Standard (NQS) rating, relying on their own firsthand experience, or the experience of those within their community. This stigma also can extend to the workforce and can impact recruitment and retention of staff. Potential employees may be hesitant to join an organisation that has a poor reputation, as it may impact their professional growth.

Currently, if a service is identified through the Assessment and Rating (AandR) process as 'Significant Improvement Required' it means the service does not meet one of the seven quality areas or a section of the legislation and that this failure poses a significant risk to the safety, health and wellbeing of children (ACECQA, 2024).

The 'Working Towards' label is used more generally when a service has not quite met one of the quality areas. In circumstances where a child's safety or health is at risk, regulatory authorities should continue to have the authority to close a service, or impose additional restrictions such as higher child ratios, mandatory staff and/or approved provider training, and immediate changes to the physical environment (ACECQA, 2024).

Rather than focussing on an approach that could further burden the regulatory pressures that services experience, it may be more effective to focus on improvement and support; opposed to labelling and penalisation. Regulatory authorities should be empowered to find the cause of a service's ongoing A&R issues. This may mean additional conversations with management teams to better understand the barriers that they believe are inhibiting their ability to improve their performance.

Another solution to services that need additional support is to introduce and fund additional management to work alongside the service's team and the approved provider. Additional management support could be drawn from a nearby service with a high NQS rating or external consultant to mentor the service experiencing challenges in seeking solutions.

STREAMLINING REGULATORY BODIES TO SUPPORT SERVICES:

ELAA has heard from our members that they find the system confusing and need advice on who they contact about incidents and how the Child Safe Standards interact with the National Quality Framework and inform the National Quality Standards. Provider confusion around reporting requirements, timeframes and the responsibilities of regulatory bodies and department divisions creates an inconsistent approach to quality and child safety.

In Victoria, the Quality Assessment and Regulation Division (QARD), a division of the Department of Education, uses the National Quality Framework, which includes National Law and National Regulations, to support Victorian ECEC services to meet the National Quality Standards through the Assessment and Rating process (AandR). QARD also receives and investigates serious incident reports, complaints, incidents that have posed a risk to the health, safety and wellbeing of children or any instance of physical or sexual abuse of a child that may have occurred while the child attended an ECEC service.

The Commission for Children and Young People (CCYP) oversees the Child Safe Standards in various sectors, including ECEC. Until December 2022, QARD could refer serious incidents of non-compliance with the Child Safe Standards back to CCYP for action, but with the reforms applicable since January 2023, QARD has become the integrated sector regulator and may monitor and enforce compliance, while CCYP's role is to oversee the Child Safe Standards system and provide general guidance to all organisations to assist with compliance. The CCYP remains the sole regulator for the reportable conduct scheme.

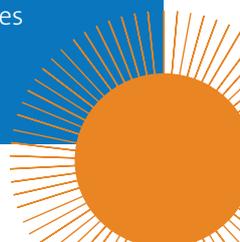
Victoria also offers its services regional Early Childhood Improvement Branches (ECIB). ECIBs are often thought as an ECEC service's direct point of contact with the Department of Education to help guide them in areas where they need improvement.

The role of an ECIB is to:

- act as relationship managers with providers, services, and local governments
- each branch includes an Early Childhood Improvement Manager, Kindergarten Improvement Adviser, and Funding Adviser
- ECIBs work directly with services to support the implementation of School Readiness Funding (SRF).

There can be overlap between reportable conduct and incidents requiring serious incident reporting within ECEC settings. While reportable conduct and serious incident reporting serve different purposes within the sector, they may intersect in cases where incidents involve potential harm or risks to children. Currently, information about serious incidents, complaints, incidents that pose a serious risk to the health and safety of children and reportable conduct are not always shared with ECIBs by QARD and CCYP.

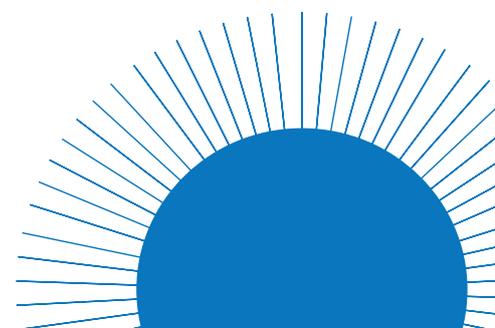
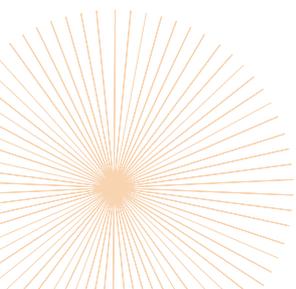
ELAA recommends that the Productivity Commission tasks the Australian Government to find a centralised approach to child safety, assessments and ratings, reportable conduct and incident reporting so that services can have a singular touch point that provides them with holistic advice. This will reduce the administrative burden of regulations, without compromising on quality and will allow for services to have streamlined access to feedback and support to provide children with a program that is of



Recommendations

ELAA's submission is a direct response to the Productivity Commission's call for information. We believe that Australian ECEC services can expand to increase participation levels and the quality provision of ECEC services with adequate funding support. With a better-managed market and an improved focus on empowering ECEC services to deliver best practice programs, Australian children will thrive. It is important for the Productivity Commission to offer recommendations that recognise and address the additional barriers regional services must overcome and that the final report reflects the needs and nuance of the sector. Below are ten recommendations that ELAA believes will have a positive impact for Australian families and the ECEC services they interact with:

1. If appointed, the role of an ECEC Commission should be to simplify the current system and act as a body that ensures legislative and policy reforms are cohesive and beneficial to service providers and families across Australia.
2. Change the wording of National Quality Standard areas 5 & 6 to embed cultural safety into ECEC service's Quality Improvement Plans.
3. To amend sections 194D and 195C of the Family Assistance Law for preschools to claim Child Care Subsidy for additional hours outside of the standard preschool hours, increasing access for those that need it most.
4. Remove the CCS Activity Test and fund a minimum of 36 hours of ECEC for all children, regardless of their parents' activity.
5. A market stewardship role should be considered by the Australian, state and territory governments, in partnership with local government to ensure that thin markets can be addressed and that their communities' needs are met.
6. ECEC providers should be supported to provide access to ECEC in areas that are not typically financially viable, valuing social impact over profitability.
7. The funding model should provide incentives for achieving exceeding standards. This could be in the form of a one-off payment following an assessment or it could be a higher per capita rate for services that have an exceeding rating.
8. Funding for organisations to assist others in the sector to increase quality would be of benefit. This would enable the sharing of knowledge across the sector and acknowledge those providers that are experts in high quality service provision
9. A new model such as the Modified Monash Model should be considered when funding and supporting regional, rural and remote services.
10. Avoid referring to services as "serial underperformers", instead, provide a system that reduces administrative burden and empowers services to raise their quality and child safe standards.



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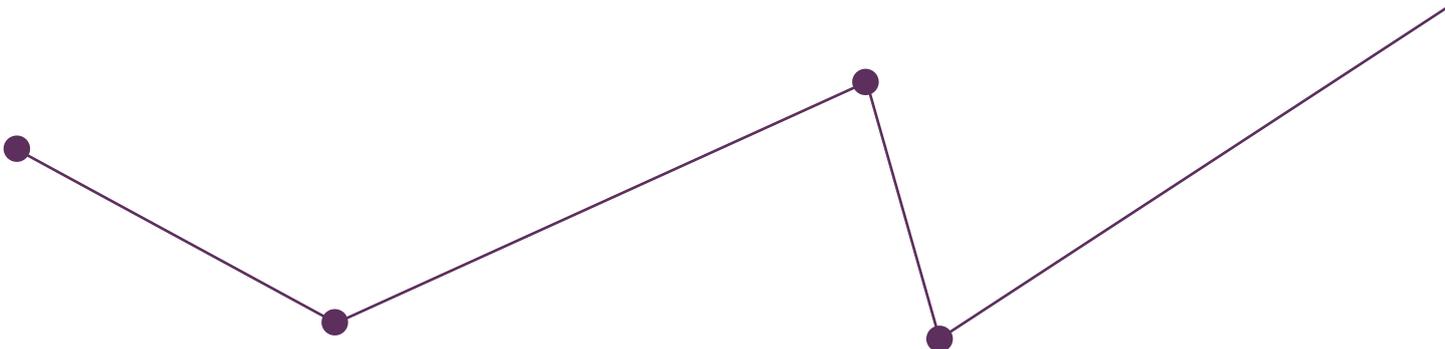
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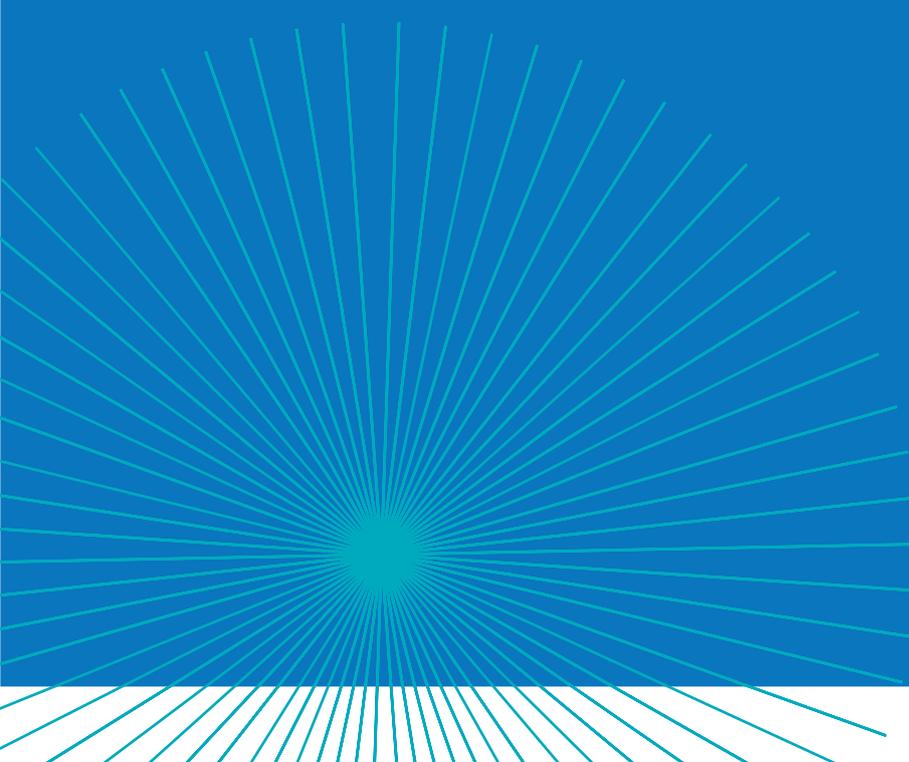
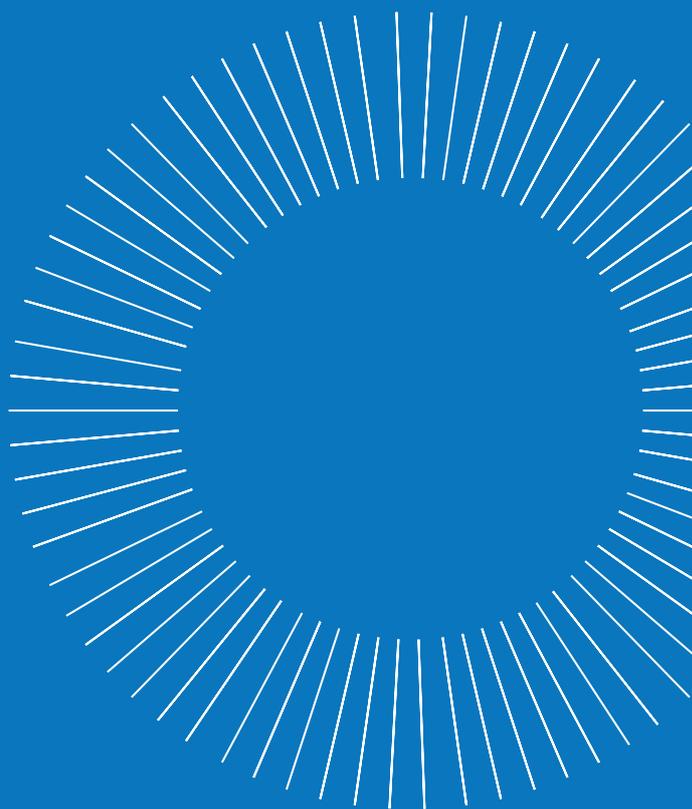
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