



OSHCA

OUTSIDE SCHOOL HOURS
COUNCIL OF AUSTRALIA

Submission to the Productivity Commission
A path to universal early childhood education
and care - Draft report

February 2024





Table of Contents

1.	Background	3
2.	Executive summary	4
	Key Facts and Statistics	6
3.	ACCC Report Findings	7
4.	Key Issues & Information Requests	9
	Regulations – Overview.....	9
	Regulation – response to information requests	10
	Workforce and training – Overview.....	12
	Workforce – response to information requests	13
	Funding - Overview	14
	Funding - response to information requests	15
	Thin markets - Overview.....	17
	Thin markets - response to information requests.....	18
5.	Response to Draft Recommendations	21

1. Background

The Outside School Hours Council of Australia (OSHCA) encompasses providers who account for more than 30 per cent of the national OSHC market.

OSHCA members represent approximately a third of the 5,000 services that are operated on school sites throughout Australia, employing more than 10,000 people across all mainland states and territories.

Our sector provides affordable care for the children of over 350,000 Australian families who rely on our services to be able to work & support family needs. The view of OSHCA is that fundamentally children require safe, engaging, age-appropriate programs delivered by a quality workforce.

OSHCA has actively participated in the Productivity Commission's Inquiry into early childhood education and care and has also contributed to the ACCC's Childcare Inquiry 2023, as well as several other reviews and inquiries at both the federal level and across Australian jurisdictions.

We are grateful for the Government's acknowledgement that Early Childhood Education and Care (ECEC) is an essential service, integral to Australia's economic prosperity and a powerful lever for increasing workforce participation and look forward to continuing to engage in this important work.

2. Executive summary

OSHCA appreciates the opportunity to contribute to the Commission's draft recommendations and requests for information. We emphasise the importance of assessing outcomes considering both educational support and national productivity, as highlighted in the terms of reference. While there was sufficient focus on the educational benefits of children participating in ECEC in the original report, the focus was skewed to Long Day Care and OSHCA would welcome an equivalent focus on the productivity benefits and associated recommendations of the outside school hours care in the final report.

Childcare, including OSHC services, and government subsidies are vital for family support and children's well-being. As we note in our submission, the necessity for quality care and subsidisation extends beyond early childhood into primary school years. Continuous, easily accessible support is crucial for families to maintain their work engagement, ensuring a seamless transition from early childhood learning to primary school years. There are also attendant benefits for children in socialisation, transition to school and in lower socio-economic demographics, access to a healthy breakfast or lunch after school.

OSHCA's positions in relation to various draft recommendations are included as part of this submission. Where possible we have provided support, in several instances we have noted our support for the intention of the draft recommendations and suggested necessary changes that would allow them to better deliver on the intended policy outcome in anticipation of being able to provide support for revised final recommendations.

In two instances OSHCA's views vary significantly from those outlined in the draft report.

1. **Opposition to Fragmentation:** We oppose in the strongest terms, moving OSHC regulation and or funding to state and territory levels. The benefits of national consistency and the existing regulatory framework overseen by the National Regulatory Authority should not be underestimated. It is our view that further fragmentation would undeniably exacerbate existing challenges and hinder positive outcomes for children and families. On the contrary, we advocate for harmonisation of the different manner in which certain regulations are applied at a state level across such matters as child to educator ratios and qualification requirements, which increase the cost of provision and complexity of operations.
2. **Continuation of Subsidies:** OSHCA strongly recommends the extension of any subsidy changes for families with children aged 0-5yo be extended into the primary school years. Like families with children aged 0-5yo, families with school-aged children consistently need support to maintain their chosen level of work engagement as their children grow. It is important parents are not



suddenly prohibited from continuing to work at the same level as their children enter school. Parents who have made what are sometimes difficult decisions to return to work, should not have the continuity of their employment put at risk.

Childcare including OSHC services and associated government subsidies play a crucial role in supporting families and ensure that children thrive. It is clear to us as providers of services that support children aged 5-12yo, that the need for adequate care, support and subsidisation does not end when children enter primary school.

Continuing support for families in a way that is easy to navigate and familiar to them is essential for families to have the confidence that they can continue to work at the level they have chosen, not only when they return to work following the birth of their child, but also when their children start school.

Ensuring high quality programs that scaffold around a child's education journey are also essential to support families undertake their work obligations and are beneficial to a child's developmental outcomes. Like families with children aged 0-5yo, people with children aged 5-12yo face many challenges finding quality care for their children and balancing the need for that care with other commitments, primarily work.

It is critical that having made the decision to return to work after having a baby, parents, particularly mothers are not faced with additional and abrupt barriers to their continued participation in the workforce when their children reach school, nor should they feel that the service (care) provided is not enhancing their child's life.

While the age of children may vary, the fundamental purpose of providing care (to facilitate parental work commitments) remains consistent. This submission advocates for greater consistency to help ensure barriers to access are reduced for families and providers can continue to deliver high quality educative programs into the future.

While the needs of families i.e. care for their children while they work remains largely the same as their children grow, the needs of children change. As a result, OSHC continues to advocate for the need for the NQF to evolve as children grow, to reflect appropriate care required for primary school aged children.

In addition to the issues highlighted above, this submission further advocates for the following:

- **Removal of the Activity Test:** We support the removal of the activity test for subsidised early childhood education and care, it is now abundantly clear that it could significantly increase employment among mothers with young children and boost Australia's national productivity. New analysis released by Impact Economics and Policy¹ has found that abolishing the activity test for access to

¹The Sector, *If the Activity Test was abolished women's workforce participation would rocket: research*, 6 March 2023, <https://thesector.com.au/2023/03/06/if-the-activity-test-was-abolished-womens-workforce-participation-would-rocket->



subsidised early childhood education and care could increase employment of mothers with children under five years of age by almost 40,000 and increase Australia's GDP by up to \$4.5 billion. In addition, as it stands it is clear that those who are already experiencing a level of disadvantage are most impacted by the test.

- **Avoiding a Two-tier System:** We emphasise the need to avoid creating a two-tier system that disadvantages the OSHC workforce compared to the daycare workforce, as it would not serve the interests of Australian families or national productivity.
- **Ensuring Government Support for Wage Increases:** Clarity is required regarding the availability of government support in the event of a wage increase to ensure service viability and affordability for families, ultimately addressing significant workforce challenges.
- **Addressing Service Availability in Thin Markets:** While we support draft recommendations aimed at improving service availability, further action is needed to ensure children and families in rural, remote, and specialised settings have convenient access to OSHC that meets their specific needs.

Beyond the issues raised in the draft recommendations and requests for information, OSHCA has also provided further general insights in relation funding, regulation, thin markets and workforce which we hope will be of benefit to the Commission as work continues to finalise its report.

Overall, OSHCA's submission underscores the importance of maintaining national-level support and regulation to facilitate seamless access to quality care, essential for both families and national productivity.

[research/#:~:text=New%20analysis%20released%20this%20morning,by%20up%20to%20%244.5%20billion.](#)

3. ACCC Report Findings

In January 2024, the Government released the ACCC's final report in response to the childcare inquiry, confirming many of the concerns of our sector and further articulating support for a number of OSHCA's key positions.

While we assume the Commission will thoroughly review those findings, we wish to highlight several areas that are particularly relevant to this work.

As OSHCA has repeatedly stated, the ACCC report found that market forces alone cannot meet the demands of families in all markets. As outlined in this submission, OSHCA would welcome ongoing support to deliver services where they are not viable by relying on market forces and current subsidies alone. It is critical that these supports are designed with the sector, are stable and are provided at a level that is genuinely able to ensure service viability.

The report confirmed the experiences of OSHCA members which is that without this support, it those children and families who are most in need who miss out on vital services.

It is also clear that there is no longer a place for the activity test within the current system. We support calls from across the sector for the abolishment of the activity test in the near future. It acts as an unnatural and unnecessary barrier to care for children and families that should benefit from and deserve access to care.

Though it was never in doubt, the report also confirmed that labour shortages are having a drastic impact on the market in terms of both the supply of services generally and the costs of delivering those services where they are available.

Other relevant findings and recommendations of interest are included below:

- Outside school hours care license agreements likely constrain fee growth for OSHC services.
- Labour is the main driver of cost for supplying childcare, accounting for 69% of the total costs for centre-based day care services and 77% of total costs for outside school hours care services.
- Removing, relaxing or substantially reconfiguring the current activity test, as it may be acting as a barrier to disadvantaged children (for example, households with low incomes or in disadvantaged areas) accessing care and creating a barrier to workforce entry or return for some groups. An alternative would be to consider a specific entitlement, such as a certain number of days of care.
- The ACCC recommends that governments further consider how the existing regulatory frameworks support and influence the attraction and retention of educators and workforce in the early childhood education and care sector.

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- Feedback from providers suggests the amount of support available under the Inclusion Support Program is inadequate, relative to the high cost of sourcing appropriate staff and delivering appropriate services, as well as the administrative burden associated with applying and complying with funding requirements. This is supported by our analysis of unfunded costs which increased by over 300% between 2019 and 2023. Despite this, the Inclusion Support Program rates of funding available to eligible services has not changed over the same period, other than for the top up support payment available to eligible family day care services in certain circumstances.
 - The average cost per charged hour for outside school hours care in 2022 (\$7.77) was well under the hourly rate cap, which was \$11.15 at the time.
 - For outside school hours care, the average session fee was \$31.62 in the September quarter 2023 (figure 3.22). This is an increase of 7.2% (or \$2.13 per session) from the September quarter 2022. This is below the indexation of the hourly rate cap implemented from July 2023, as discussed in chapter 2, which was 7.8% for 2023–24.

4. Key Issues & Information Requests

Regulations – Overview

The regulations and frameworks governing OSHC services and their variation across jurisdictions, directly impact the efficiency, and effectiveness of operation which contributes to higher costs and higher staff turnover.

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. These variations, even in their current form create additional administrative burdens which ultimately adds to the costs of service delivery, in many instances they are also inappropriate for the age of children we support.

Comparing Australian jurisdictions, higher regulation or higher minimum employee qualifications does not have a direct impact on service quality or child safety outcomes i.e. while Victoria has significantly higher minimum qualification standards for staff, NSW has more services exceeding the national quality standards.²

For a number of years OSHCA has noted the impacts of the lack of harmonisation of regulations across the jurisdictions as they pertain specifically to minimum workforce qualifications. This is an issue that severely affects our ability to attract staff into our services and therefore provide services to children. It should be noted that minimum standards are set by the National Quality Framework and therefore, even with differing (lower) minimum qualifications in New South Wales (compared to VIC), the quality of the service delivery is not impacted, and this is also confirmed by the ACECQA ratings.³

While consistency is generally important, when considering affordability, it is particularly important to consider educator to child ratios which typically vary from 1:10 to 1:15 - any movement with respect to ratios has a significant impact on costs. This issue can be directly linked back to OSHCA's request for more standards as part of the NQF that are appropriate for our sector. We acknowledge and appreciate that these issues are currently being examined as part of a review of the NQF.

In addition to ratios, there is variation in the qualification requirements across jurisdictions with some requiring a higher level of qualification once a certain number of children is reached. While some jurisdictions allow staff to be working towards a particular qualification others require completion of that qualification before being able to work in a service. QLD is currently OSHCA's preferred model in relation to qualification requirements because they strike a better balance between quality of care within an OSHC setting and workforce qualifications.

² ACECQA, *National Quality Standard*, <https://www.acecqa.gov.au/nqf/national-quality-standard>

³ ACECQA, *Research and reports*, <https://www.acecqa.gov.au/resources/research>

Regulation – response to information requests

Information request 2.1 - Suitability of the National Quality Framework for Outside School Hours Care.

OSHCA recognises the value of the National Quality Framework (NQF) in setting high standards for children's education and care. However, as we have articulated, the NQF is primarily tailored for early childhood settings and, might not fully encapsulate the distinct nature of OSHC, which caters to school-aged children with different developmental needs and interests. It is crucial that the framework be adaptable to the diverse and dynamic environment of OSHC.

A review of the NQF is currently underway and OSHCA is participating in that review. Examples of some of the practical ways that OSHC services differ from long day care centres include:

- **Operating Hours and Duration** - OSHC services typically operate outside standard school hours, including before and after school, as well as during school holidays. This results in a varying operational timeframe compared to typical early childhood settings.
- **Inconsistency of Attendance** - The nature of OSHC services involves a high degree of variability in attendance. Children may attend irregularly, depending on their parents' schedules, unlike the more consistent attendance seen in early childhood centres. This inconsistency affects the ability to implement certain NQF requirements, such as ongoing assessment and documentation of each child's learning journey, which is more feasible with regular attendance.
- **Vacation Care Dynamics** - During vacation care, OSHC services may cater to children who attend for just one day or sporadically throughout the holidays, including children from nearby schools who are not regular attendees. This transient nature of attendance makes it challenging to apply the NQF's continuous and consistent care and educational standards, which are designed for settings where children and educators build longer-term relationships.
- **Activity-Based Programming** - The programming in OSHC is often activity-based, focusing on recreation, and informal learning, in contrast to the more structured educational focus of early childhood settings. Adapting the NQF to acknowledge and support the unique educational and developmental value of these activities would better align with the operational reality of OSHC.

The NQF is extremely important and provides an excellent framework for quality and consistency in early childhood education. However, its application to OSHC requires reconsideration and adaptation. This would involve acknowledging the unique operational characteristics of OSHC services, such as variable attendance patterns, operating hours, and the activity-based nature of programs as well as the age and stage of children we care for.

OSHCA has consistently advocated for a revised approach within the NQF that respects the distinctiveness of OSHC settings, ensuring that our service delivery continues to meet



the highest standards of quality and care tailored to the needs of school-aged children and their families.

While we appreciate the structure the NQF provides, there is a necessity for modifications to better suit OSHC services. This would include:

- Tailoring quality areas and standards to reflect the context of school-aged care.
- Adjusting quality standards to reflect the developmental needs of school-aged children.
- Integrating flexible and age-appropriate learning and recreational activities into the framework.
- Providing OSHC-specific training and resources to meet these unique standards.

In response to the question about whether it is revised guidance or structural change that is required to tailor the NQF to be suitable for OSHC services, we would suggest that guidance would be insufficient. Structural changes to the NQF are required to ensure it aligns with the operational realities and child engagement strategies unique to OSHC settings like ours, focusing on areas such as flexible learning, recreational activities, and age-appropriate engagement.

We look forward to participating in the review process and would like to see acknowledgement in the productivity commissions final report that a revised NQF that is more appropriate for OSHC would be of benefit to children, families, and national productivity.

Information request 3.1 - ECEC-related vocational education and training

The quality of VET ECEC training directly impacts our workforce's capabilities. At OSHCA, we observe a gap between the training provided and the specific skills required in OSHC settings. Therefore, we support reforms that:

- Include OSHC-specific modules in VET ECEC courses.
- Emphasise practical, hands-on experience tailored for school-aged care.
- Foster ongoing industry partnerships to keep the curriculum relevant.

Information request 9.2 - An ECEC Commission

OSHCA supports the continuation of national based systems for all ECEC services including OSHC. While it is difficult to provide support for a hypothetical body, OSHCA would expect that any national commission could meaningfully support increasing uniformity across Australian jurisdictions.

OSHCA would support a Commission that:

- Oversees the implementation of quality standards across ECEC services.
- Provides a platform for sharing best practices and innovations in OSHC.

- Addresses feedback and concerns from providers and families alike.

Including ACECQA within this commission would also streamline regulatory processes. However, it's vital that the Commission maintains an independent capacity to address sector-specific needs, especially those pertaining to OSHC.

Workforce and training – Overview

We acknowledge and appreciate the Commission's recognition of the critical need for a well-supported and sustainable workforce to ensure the success of proposed reforms. As OSHCA has consistently emphasised, OSHC services are indispensable for Australian families, contributing significantly to national productivity. Therefore, resolving workforce issues is vital for our sector and pivotal for the socio-economic well-being of hundreds of thousands of Australian families.

Despite our sector's significance, we encounter inherent challenges in attracting and retaining staff, often compounded by the perception of OSHC as a transient step towards other care sector roles. This leads to a continual staff drain to daycare services and teaching professions due to more regular working hours.

Considering the ongoing review of the National Quality Framework (NQF)⁴ and the workforce strategy by ACECQA,⁵ we urge the Commission to make definitive statements regarding workforce issues in its final report. These statements are crucial, especially given the potential ramifications of broader reforms if foundational workforce concerns remain unaddressed.

We recognise the considerable work already undertaken in this domain, including the claim currently under consideration by the Fair Work Commission. While there are promising strategies for medium and long-term workforce stabilisation, we highlight the necessity for immediate actions, particularly regarding staff remuneration. We call on the Commission for explicit guidance on maintaining the viability and affordability of services amid potential significant pay increases.

The balance between fair staff compensation and service affordability is crucial for the ECEC sector's sustainability. As part of the current wage claim before Fair Work, OSHCA has ardently advocated that any consideration of government support that may be provided to the long day care sector for staff wage rises to be equally accessible to the OSHC sector as a whole. Failure to do so risks creating a two-tier system, leading to quality disparities, morale issues, recruitment challenges, and an immediate workforce crisis within the OSHC sector, adversely affecting thousands of families.

We strongly urge the Commission to explicitly acknowledge the risks of such a two-tier system in its final report. Furthermore, we advocate for a more robust consideration of the recommendations made by ACECQA in its workforce strategy, which, although primarily

⁴ NQFReview, *National Quality Framework Review*, <https://www.nqfreview.com.au/>

⁵ ACECQA, *National Workforce Strategy*, September 2021, <https://www.acecqa.gov.au/national-workforce-strategy>



impactful in the medium term, has garnered broad sector support and merit serious contemplation.

In summary, OSHCA would welcome the following:

- Recognition that a two-tier system that sees the OSHC workforce disadvantaged would be an untenable outcome and not in the interests of Australian families, the viability of the sector or national productivity.
- Clarity in relation to the need for government support in the event of a wage increase to ensure that the viability of services is not impacted, and Australian families do not face further cost of living issues.
- Consideration of the workforce strategy undertaken by ACECQA and the recommendations from that report. It is our strong view that while in most instances the report does not include any short-term solutions, the adoption of many of those recommendations would be highly beneficial in the medium to long term. They should be considered as part of the commission's final report.

We believe these actions are crucial for ensuring the sustainability and quality of the OSHC sector, ultimately supporting Australian families, and contributing to the nation's productivity.

Given the significance of resolving workforce issues to other reforms it is essential that a clear path forward is provided for both families and the broader sector.

Workforce – response to information requests

Information request 3.2 - Effectiveness of traineeship arrangements

Most, if not all OSHCA providers are utilising traineeship arrangements in their services and overwhelmingly they are a beneficial addition. Over the past few years, OSHC services have faced two key issues as a result of the significant workforce issues that exist across the sector. The first was an outright lack of staff required to run services, the second was that due to the large numbers of people who left the sector during Covid, the workforce lacked the depth and experience it had benefitted from in the prior years.

Traineeships have emerged as a pivotal strategy in addressing these issues, particularly by facilitating the upskilling of existing staff. This approach has not only contributed significantly to replenishing the workforce's depth but also enhanced the collective skill set, thereby fortifying the sector's resilience and capability. Although traineeships do not single-handedly resolve the myriad of workforce challenges, their role in systematically strengthening and revitalising the sector's human resources is undeniable and immensely valuable.

Increased Funding and Resources:

- To amplify the positive impact of traineeships, we advocate for an increase in funding and resources allocated to these programs. This enhancement will not only allow for the expansion of traineeship opportunities but also ensure that a larger number of services can benefit from skilled and well-trained staff, thereby improving the overall quality of OSHC services.

Funding - Overview

OSHCA acknowledges and agrees with the views expressed in the draft report that any major changes to funding in advance of other reforms would be premature. While some changes are required, from OSHCA's perspective there is no need to "reinvent the wheel" at this point in time.

Equally, we noted the Commission's early modelling in relation to the possible benefits of flat rate subsidies i.e. a 90% subsidy for all families resulting in the equivalent of 17,000 additional full-time workers and a \$480 million dollar increase in income tax collection and would encourage the Commission to conduct further analysis given there is a lack of precise evidence around the direct impact of increased subsidies on national productivity. Clarity in this regard could meaningfully support future discussion and reform.

OSHCA is concerned by the suggestion that OSHC services and access could potentially be managed by states and territories. While it is unclear what this would mean for OSHC funding, OSHCA is opposed to any change of this sort.

Despite the children being the same age, the school system is even more different from OSHC services than long day care services. Our strong view is that it would exacerbate the already significant challenges that exist in terms of achieving harmonisation across Australia. Further, it would result in parents across different jurisdictions experiencing vastly different systems and there would almost be no opportunity for consistent access for the kinds of care parents need to live and work as their children age.

The reality is that there needs to be a recognition that parents with children in daycare and parents with children in OSHC services overwhelmingly seek care for the same reason. That is, so that they can undertake employment. While there are enormous education benefits of early education as well as OSHC services, the fundamental need of families is care for their children so that they can support their families.

On that basis, care needs to be high quality, affordable and consistently available until children reach an age where it is no longer required. The more consistent this support can be for parents, the easier it will be for them to engage in work and the more confident they will be that they will be able to do so, without facing affordability or access barriers down the track.

While OSHCA has consistently argued for regulations in terms of qualifications and ratios that better reflect the age of a child, that should not be an interpreted call for further control by state governments.

In fact, OSHCA would argue for even greater national consistency in relation to funding and would encourage the commission to explore options such as extending multiple child discounts to children who are attending OSHC services.

Families remain a consistent unit as their children age, a system that requires them to navigate separate levels of government as their children grow or multiple levels of government at a time if they have children in both OSHC and childcare would be difficult to navigate for both families and providers.

We strongly caution against any recommendations that will mean a shift towards state-based funding of OSHC services.

Funding - response to information requests

Information request 6.1- Potential modifications to the activity test – funding section & 6.2 Information request 6.2 - Child Care Subsidy taper rates

The Commission is seeking views on the costs and benefits of options to modify the Child Care Subsidy activity test. Draft recommendation 6.2 would relax the activity test to allow all families to access up to 30 hours of subsidised care a week (60 hours per fortnight) regardless of activity, providing a step towards universal access. Options for the levels of activity that should be required for hours above 60 hours of subsidised care per fortnight could include:

- Retaining the current activity test for hours of care over 60 hours per fortnight. This would allow 60 subsidised hours for all families, up to 72 hours of subsidised hours for families with 16 to 48 activity hours per fortnight, and up to 100 hours of subsidised care for those with more than 48 activity hours.
- Simplifying the number of activity test tiers further by allowing 60 subsidised hours for all families and up to 100 subsidised hours for those with more than 48 activity hours
- Simplifying the number of activity test tiers by allowing 72 subsidised hours for all families and up to 100 subsidised hours for those with more than 48 activity hours.

As noted, this particularly impacts families participating in holiday programs. Example, a service's HHQ session is 11+ hours per day, even a family with 100 hours per fortnight would exceed their hours if the child attended all 10 sessions in the fortnight (as the hours of the full session are counted, not just the hours the child attended).

The introduction of a modified activity test could also be phased, for example, starting with lower income families, in order to allow time for supply to respond to increased demand and to evaluate the effects of the change before relaxing the activity test more widely. The Commission is seeking views on the costs and benefits of a phased introduction, and which cohorts of families would benefit most from being able to access a relaxed activity test earlier. Lower income families and those who attend daily for holiday programs (overlapping cohorts) would benefit from accessing this relaxed activity test earlier.

The Commission is seeking views on how Child Care Subsidy taper rates could be designed if the top rate of subsidy was increased to 100% of the hourly rate cap, as proposed in draft recommendation 6.2. This includes options to adjust taper rates for the Higher Child Care Subsidy, available to families with multiple children aged five or younger in ECEC who are eligible for a subsidy. Level and indexation of the hourly rate cap. Increasing the 90 – 100% could result in higher attendance rates for these families, but also lower instances of dishonours / financial suspensions – allowing greater and easier access to care for children and families who really need it. A guardian will need to ensure CCS is linked and maintained correctly to benefit from this.

Information request 6.5 - Potential measures to reduce CCS administrative complexity.

The Commission is seeking views on the costs and benefits of potential measures to reduce Child Care Subsidy (CCS) administrative complexity. These may include:

- Streamlining the Higher Child Care Subsidy rate to be more aligned with the CCS rate over time. The higher childcare rate is not regularly applicable due to the age of our cohorts, however, can be another selling point for us in small number of cases e.g. 4-year-old child attends ELC OSHC, 2-year-old sibling attends LDC – one of these children may be eligible for a higher subsidy.
- Allowing families who are already eligible for income support payments or a Health Care Card to be automatically eligible for CCS, and aligning processes that are similar across CCS and other payments. While further information would be required to assess efficacy, this would have the potential to reduce the application and processing times for families, which can be a barrier for them to get connected to CCS.
- Extending the initial length of eligibility for Additional Child Care Subsidy (Child Wellbeing) from six weeks to 26 weeks and subsequent lengths of eligibility to between 26 and 52 weeks. Increasing the ACCS initial period would reduce our internal admin time AND reduce the burden on case workers/carers to obtain and submit evidence to providers to apply for Child Wellbeing CCS on their behalf. This would allow children who are at risk to gain access to (usually fully) subsidised care with ample time for providers to work with the case worked/carer to keep documentation up to date.
- Extending the length of eligibility for Additional Child Care Subsidy (Child Wellbeing) for those children on a long-term protection order, in formal foster care or in a formal kinship arrangement, while their circumstances remain unchanged. Again, this would reduce internal admin time and reduce the burden on case workers/carers to obtain and submit the regular evidence required to apply for Child Wellbeing CCS on their behalf.
- Extending Additional Child Care Subsidy (Grandparent) to recognise informal kinship carer arrangements. This is a no brainer, as this opens up access to care for other family care situations. Extending this form of ACCS would make it easier for children who are in the care of a grandparent or other family member to access care.
- There would also be clear benefits to maintaining a child's eligibility for CCS for a period of eight weeks when there is a change of guardian. It would reduce the burden on guardians and internal admin. It would also help reduce the accumulation of debts for families as they would be less likely to be caught without CCS coverage.

Information request 7.4 - Availability of occasional care – funding, casual based impacts

Unlike long day care, OSHC services are casual by nature. The key impact of this is that it makes it harder to plan labor, you can assume but you can't know. Most providers deal with this by putting in past soft caps to ensure that there will not be more children than be



supported with the number of staff available that day. While this is less than ideal both for families and providers, there is no real alternative given firm ratio requirements.

While OSHCA is aware of some demand for early starts i.e. 6am, given the nature of our service is inherently casual we are not aware of any significant unmet need in terms of the hours and times our services are unavailable. Unmet need in the OSHC sector relates to services having to cap intakes because of lack of staff or families being unable to access care because it is not possible to run a viable service in some markets.

Thin markets - Overview

OSHCA is of the view that even if the suite of draft recommendations made by the Productivity Commission were to be wholly enacted, children and young people and their families living in rural and remote communities and those with complex needs, especially those attending school in specialist settings, will still be prohibited from accessing OSHC that is convenient, appropriate and meets their specific needs.

To effectively support children and young people with complex needs within OSHC services, it's crucial to recognise the significantly higher costs associated with delivering safe and appropriate care. These children often require a staffing ratio far more intensive than the standard, leading to a 400% to 1000% increase in staffing costs alone, not to mention the additional resources necessary for their care.

Unfortunately, the current funding model, including the Inclusion Support Program (ISP) and the Child Care Subsidy (CCS), fails to adequately support these increased costs, particularly for children in specialist settings. This discrepancy leaves a substantial gap in service provision, notably in Victoria where, despite initiatives like the High-Intensity OSHC Program, the coverage is insufficient and time-limited.

Our position is clear: without substantial reform and targeted investment, children and young people with complex disabilities, particularly those in rural and remote areas, remain at a significant disadvantage. This not only affects their immediate access to quality care but also has long-term implications on their health, well-being, and educational outcomes. Furthermore, the lack of accessible OSHC services poses substantial barriers to workforce participation for their families, exacerbating socio-economic challenges.

Key Recommendations for Sustainable OSHC Services:

- **Permanent Funding Solutions:** We urge governments to transition from temporary grant programs to established, ongoing funding models that reflect the actual costs of providing high-quality OSHC services to children with complex disabilities. This approach should include adequate support for both staffing and resources, ensuring services are financially viable without placing undue burden on families.
- **Harmonisation Across Jurisdictions:** To enhance service delivery and ensure equity, regulatory frameworks and funding streams should be harmonised across Australian jurisdictions. This alignment will facilitate a more consistent and supportive environment for OSHC providers and families nationwide.

- **Inclusion Policy Reform:** Policies surrounding the ISP and CCS need urgent revision to include children attending specialist settings, ensuring they are eligible for the support necessary to access OSHC services. This involves reevaluating activity test requirements and fee structures to accommodate the unique needs of these families.
- **Stakeholder Engagement:** We recommend establishing a collaborative framework involving governments, OSHC providers, families, and disability advocates. This collective effort can identify and implement practical solutions, drive policy improvements, and ensure that the voices of those most affected are central to decision-making processes.

By addressing these recommendations, we can work towards a more inclusive, equitable, and sustainable OSHC sector that truly meets the needs of all children and families, regardless of their circumstances or location.

Thin markets - response to information requests

Information request 9.1. - Scope for broader funding reform including supply side subsidies

The Commissions suggestion of ongoing block grants to cover operating costs in communities where demand is low to or there are substantial barriers to accessing CCS, if applied to OSHC, would help to ensure that services in rural and remote communities could remain open.

It is critical that the Productivity Commission in its final report explicitly expands the scope of this recommendation to include not just ECEC for children 0-5yo, but for all children including primary aged children who access OSHC.

It must also be noted that Centre-based day care, family day care and mobile care should not be considered as solutions to address the varying needs of thin markets in place of OSHC. None of these options are appropriate for school-aged children and there is a range of anecdotal evidence that the quality of care provided to school-aged children in these settings is poor and families are less likely to utilise this option.

Additionally, there are a range of issues with the Inclusion Support Program (ISP) that mean it provides insufficient funding support to meet the care requirements of children and young people with complex disability who do attend mainstream schools and OSHC programs. Whilst some of these would be addressed by the recommendations of the Productivity Commission, including increasing the hourly subsidy rate, removing limits of the weekly hours, and allowing more diverse staff qualifications (including allied health) to support children's needs [draft recommendation 2.4], there are further adjustments required to appropriately care for this cohort of children in mainstream OSHC programs.

Information request 7.1 - The CCCF as a vehicle to address practical barriers to ECEC access.

Despite CCCF grants having the ability to respond to some practical barriers through financial support, it should be noted that the option to utilise transport to move children from a range of schools to a centrally located OSHC service has several issues and cannot



be resolved with financial support alone. Specifically, transporting children can add additional risks to the delivery of care, and staff are still required to maintain ratios on the bus and relies on their being sufficient physical space available at one school to host a larger service (which is often not possible, given most rural and regional schools are smaller). Even when it is possible to deliver a central service and these issues can be overcome, this solution is often incredibly inconvenient for families, requiring them to commute further to drop off and/or pick up their child, or could potentially decrease the quality of care.

Further to this point, it is integral that rather than just ensuring access to care, there is guaranteed access to the highest quality care that can really make a positive impact on the life of the child and their family. Notably, children and young people with complex disability gain considerably from attending a high quality OSHC program, including improving their social and emotional skills/regulation, developing independence, experiencing positive health and wellbeing and educational outcomes, and in many cases getting access to a diverse range of experiences they would not have otherwise had.

Moreover, the overhead costs of delivering OSHC in rural and remote settings can often be higher, with the need to relocate staff or offer higher than award pay rates to attract quality staff to work in these programs and a smaller number of activities available and/or higher transportation costs to access activities etc. Whilst there are some federal government grants available, for example through the Community Child Care Fund (CCCF), they are not necessarily fit-for-purpose, designed largely to facilitate access to ECEC rather than OSHC services, and offering grant funding largely for capital works (e.g. building new centres), which are not typically required for OSHC, rather than for staffing and resource costs etc. that would support the delivery of OSHC in rural and remote communities.

The current frequency of grant rounds and funding available to services is insufficient, as the issues in 'thin markets' are not resolved over a short time frame, but rather a systemic issue in these environments due to various complex factors.

In order for families to be appropriately supported, funding from government needs to go beyond 1-2 years of grant funding. While well intended, too often this had led to substantial disruption within communities with services opening and then closing once the grant funding has expired due to the ongoing viability issues.

By way of example, the Victorian Government Establishment Grant Initiative – which provided grants for up to 400 eligible Victorian Government schools to set up new OSHC services or expand service delivery at existing OSHC programs (e.g. adding school holiday programs where there was previously only after school care) – has had incredible benefits to participating children, their families, schools and local communities. However, when funding runs out for these services over the next 12 – 18 months, a large proportion of these services will become unviable and will likely be closed, as there is currently no funding mechanism in place to provide ongoing support for these services. This will have widespread negative impacts on all groups, including parents/carers who have currently been able to return to work or increase their work hours, pursue study or training, and make time for other important responsibilities. It will also impact the schools retention and



enrolments, as families would be forced to consider other schools/towns where care is available.

Beyond the frequency of funding, it is critical that any additional support offered by government to provide services in areas that are underserved provides an adequate level of support and is not overly burdensome to access.

Changes that would help ensure the CCCF adequately and effectively responds to these needs could include:

- a more flexible approach through CCCF, with an open pool of funds that could be applied for as needed and available to all services, provided they demonstrated community need in their application.
- an expansion of the Inclusion Support Program, where funding could be provided through Innovative Solutions.

The Community Child Care Fund (CCCF) at present is not fit-for-purpose, as it is designed largely to facilitate access to ECEC rather than OSHC services. For this reason, a more flexible approach through CCCF should be enabled.

Despite the draft recommendation proposing an increase in the hourly subsidy rate for additional educators to cover 100% of the cost of employment, removing limits on weekly hours and aligning with child's enrolled hours and allowing a more diverse staff cohort to be employed in these roles, services are still prevented from allocating additional educators to individual children or small groups of children, even though applications are made on behalf of individual children.

This is a problem, because it limits the usefulness of the additional educator, particularly as it relates to supporting children and young people with high personal care needs (toileting, hoisting, assistance eating etc.). There are several scenarios in mainstream OSHC services where children and young people with disability may require a higher level of individual support, and the status quo creates a situation where the higher the needs of the child, the less the service is able to receive support that is appropriate. This is discriminatory and certainly not inclusive. This is also an issue with the current overall service cap on the number of additional educators. This provision does not acknowledge that some services may have a much higher concentration of children and young people with complex needs and serves to further limit the effectiveness of the additional educator model.

The Productivity Commission is encouraged to consider a more comprehensive set of recommendations regarding the Inclusion Support Program (ISP) to ensure that OSHC is available to all children and young people as espoused in the draft report. The fact that ISP is not available at all to support children and young people with the highest needs who are attending special schools is a significant limitation. These children and young people are not eligible for any Inclusion Support funding as they are not attending services with their "typically developing peers". The version of inclusion espoused by the ISS guidelines structurally denies access to care to the most vulnerable cohort of children and young people – those with complex disabilities. For the reforms to the ISP to have a meaningful impact on access to care for these children and young people, the fundamental understanding of inclusion must be rethought.

5. Response to Draft Recommendations

Draft recommendations (DR number)	OSHCA perspective
Issue: Affordability and availability gaps need to be addressed to achieve universal access	
<p>Give all children an entitlement to up to 30 hours or 3 days a week of subsidised care without an activity requirement (DR 6.2)</p> <p>Lift subsidy to 100% of the hourly rate cap if annual family income up to \$80,000 (DR 6.2)</p> <p>Provide additional support for persistently thin markets (DR 5.1)</p> <p>Improve information about CCS for families (DR 6.3 – 6.6)</p>	<ul style="list-style-type: none"> • OSHCA could support draft recommendation 6.2 if the subsidy be extended to OSHC services in addition to early learning services. This would ensure <u>all</u> children have access to 30 hours of subsidised childcare. • It is critical that having made the decision to return to work after having a baby, parents, particularly mothers are not faced with additional and abrupt barriers to their continued participation in the workforce when their children reach school age. This is particularly true in instances where families may already be facing a level of disadvantage. • Parents who have become accustomed to being able to work 3 days per week should be able to continue to do so without interruption, as their child starts school. It is also important to note that many families who have a child in long day care also have a child in primary school. In many instances, it is the child attending primary school that prevents parents working at the level that would best suit their family. • Almost universally parents with a child attending primary school for the first time are confronted by the reality of having to manage early pickups with their other commitments, including work. Many reduce their hours or change roles to accommodate this, impacting career prospects, earning capacity and productivity. • Extending this support to OSHC would be comparatively low cost for Government when considered in the broader context of delivering the CSS subsidy but would have significant productivity benefits. • Children who experience vulnerability are underrepresented in the OSHC sector relative to their representation in preschool services. Increased incidence of behavioural challenge, parental dysregulation and neurodiversity makes need for support inn transition to school and the benefits of OSHC more acute than ever.

Draft recommendations (DR number)	OSHCA perspective
	<ul style="list-style-type: none"> • In addition to safe care while a parent is working, OSHC provides access to healthy food, enrichment activities including the opportunity to play sport or exercise, creative expression and opportunities to complete assigned school tasks. • It is our view that there are substantial national productivity benefits that can be gained by ensuring that all families feel well supported to access the care they need both during the early years of their child’s lives and when they start school and that they know care and support will continue to be available as their children grow. • For these reasons OSHCA suggests this draft recommendation be extended to include access to 3 days per week of OHSC care. • OSHCA would support the draft recommendation to lift the hourly rate cap to 100% for families earning less than \$80,000/annum, if it can be made clear that this recommendation also relates to OSHC services. This application to OSHC is also supported on an equity basis so that parents with school age children are not unreasonably disadvantaged in accessing care. • The benefits of universal reform can only be fully realised when any parent who requires care for their child to complete work or study is able to do so without being financially disadvantaged and when access is clear, simple, and known to be reliably available over as many years as it is required by an individual family through primary school years. • In relation to draft recommendation 5.1, this recommendation, which includes the suggestion of ongoing block grants to cover operating costs in communities where the level of demand is too low to support all the costs of operating a service or there are substantial barriers to accessing CCS, if applied to OSHC, would help to ensure that a large number of services in rural and remote communities could remain open. It is important that the Productivity Commission in its final report explicitly expands the scope of this recommendation to include not just ECEC for children 0-5, but for all children including primary aged children who access OSHC. For the grants to be effective they need to be enduring for as long as is needed to support service viability.

Draft recommendations (DR number)	OSHCA perspective
	<p>Short term grants that don't underpin enduring viability are subject to short term opportunism, only for services to close leaving communities stranded at the end of the grant term.</p> <ul style="list-style-type: none"> • It must also be noted that Centre-based day care, family day care and mobile care should not be considered as solutions to address the varying needs of thin markets in place of OSHC. None of these options are appropriate for school-aged children and there is a range of anecdotal evidence that the quality of care provided to school-aged children in these settings is poor and families are less likely to utilise this option. • In relation to draft recommendations 6.3-6.6, OSHCA supports mechanisms to make CCS easier to understand and easier to access for parents. OSHCA notes that in many jurisdictions' agencies such as Services NSW and their equivalents regularly communicate to the public in relation to subsidies, vouchers and cost saving measure they may be eligible to access. • In many instances families are unaware of the support that is available to them, overcoming this barrier by encouraging more proactive engagement and advertising of services and subsidies available by Services Australia would be likely to improve the communities access and utilisation to the services offered. • Ensuring the way families access remains consistent across both preschool and primary school would also help families to move easily access the services they need.
<p>Issue: Availability can only improve if workforce challenges are resolved</p>	
<p>Fair Work Act processes addressing pay and conditions (DF 3.1)</p> <p>Reduce barriers to upskilling (DR 3.1)</p> <p>Support innovative delivery of teaching qualifications (DR 3.2)</p>	<ul style="list-style-type: none"> • At the centre of the ECEC sector is a dedicated workforce that plays a crucial role in providing essential services to families, that is recognised and understood by the productivity commission's draft report and by the sector more broadly. • Also understood is the fact that broader reform will risk being largely ineffective without a workforce that has sufficient depth as well as a level of experience required to deliver services at the level demanded both by policy, regulation, and the families we support.

Draft recommendations (DR number)	OSHCA perspective
<p>Improve registration arrangements for early childhood teachers (DR 3.3)</p> <p>Lift support and mentoring for new early childhood teachers (DR 3.4)</p> <p>Improve pathways and support for Aboriginal and Torres Strait Islander people to obtain ECEC qualifications (DR 3.5)</p> <p>Provide greater support for professional development (DR 3.6)</p> <p>Improved ECEC Workforce Strategy (DR 3.7)</p>	<ul style="list-style-type: none"> • The Australian Children’s Education and Care Quality Authority has spent considerable time with stakeholders developing a workforce strategy. The recommendations of that work should be considered in the Commission’s final report. • Generally, it is the view of OSHCA that the recommendations made, and work undertaken as part of developing ACECQA’s workforce strategy need to be considered in depth by the productivity commission in relation to this work, particularly in relation to draft recommendation 3.7. If additional workforce strategies are going to be developed, they must have meaningful potential to add to existing work rather than duplicate it. • In relation to Fair Work Commission work outlined in draft rec 3.1, OSHCA acknowledges the work that is being undertaken by the Fair Work Commission, and that in the short-term increased pay is an effective lever to resolve workforce challenges. While this is acknowledged by the report, there is minimal acknowledgement of the additional challenges that will come with any pay rise or recommendations on how government should best resolve those. • Whilst the report acknowledges that government supported a pay increase for workers in the aged care sector it stops short of making a similar recommendation to government in this instance. • OSHCA would welcome greater clarity in the final report in relation to how the issue of a wage increase should be managed to ensure that service costs do not increase for families or alternatively service viability is meaningfully impacted. • OSHCA also notes that as providers of OSHC services we have been excluded from participating in the case currently before the Fair Work Commission. As such while there is a partial solution being considered for some of the sector, it is not currently applied to OSHC services. It is critical that any wage increase does result in a two-tier system that would exacerbate existing workforce shortages, undervaluing staff within OSHC services and driving them to higher paid work in other parts of the sector.

Draft recommendations (DR number)	OSHCA perspective
	<ul style="list-style-type: none"> • In relation to draft recommendations 3.2, 3.4 and 3.5 OSHCA welcomes any initiatives that would accelerate qualification pathways and further support the upskilling of the existing workforce. OSHCA has outlined for some time the impact of “leakage” from OSHC services into long day care services. While we acknowledge our role as a feeder of the broader ECEC workforce it is important to recognise that as a standalone sector we are faced with considerable and ongoing workforce challenges. • OSHCA supports the use of traineeships and has provided further information in relation to how the sector can continue to benefit from these arrangements on page 13 of this submission. • It is in our interests as providers to ensure our workforce has depth and can improve retention. Additionally, OSHCA has consistently outlined the need for a National Quality Framework that includes OSHC specific components that are appropriate for the types of services we provide and the children we support. • Even though OSHC services cater to primary school-aged children, services are currently required to navigate a regulatory framework that was designed with children aged 0-5 in mind. Work is currently underway to review the NQF and OSHCA has been an active participant in this work. • It is imperative that the outcome of this review results in guidelines that are not only suitable for 0-5-year-olds but also recognise the specific requirements of primary school-aged children. OSHCA would welcome acknowledgement from the productivity commission that there may be productivity benefits in ensuring that a suitable breadth of staff is available to OSHC services and has encouraged further consideration of the existing NSW model for broader adoption. • In addition to an NQF that is appropriate for primary school aged children OSHCA has also consistently advocated for the need for consistent regulation in relation to ratio and qualifications across Australia. The inconsistency across states increases the cost and complexity of compliance and inhibits staff mobility.

Draft recommendations (DR number)	OSHCA perspective
<p>Amend the Disability Standards for Education (DR 2.2)</p> <p>Amend eligibility requirements for inclusion funding (DR 2.3)</p> <p>Review and amend additional educator subsidies (DR 2.4)</p> <p>Reduce the administrative burden of ISP applications (DR 2.5)</p> <p>Improve coordination of inclusion funding (DR 2.6)</p>	<ul style="list-style-type: none"> • To support children and young people with complex disability, the costs of delivering a safe and appropriate level of care are much higher than the standard cost profile of an OSHC service. Many children attending school in specialist settings require support at between a 1:1 to 1:4 staff to child ratio whilst in attendance at OSHC, as compared to the typical service ratio of 1:15. As a result, the cost of staffing these services alone can be between 400% to 1000% higher. This is before considering the higher costs of resourcing and programming requirements to meet the needs of this cohort. • OSHCA agrees with the observations of the commission that many children including those with disability who would substantially benefit from services are among those least likely to receive them and would like to see this corrected. • In relation to draft recommendation 2.3, OSHCA notes our active participation in the review into the Inclusion Support Subsidy (ISS) conducted by the federal government. From Page 17 of this document provides further detail in relation to specific elements of that work that should be further considered in relation to draft recommendation 2.3. • OSHCA supports the intent of the ISP and notes that improvements to the administration of funding would drastically improve the experience of both families and service providers who interact with the service, while the interests of most stakeholders are aligned the administration and policy are not. • Generally, we note that discrepancies between eligibility and program requirements across federal and state inclusion programs have resulted in increased complexity and administrative burdens for ECEC services operating across multiple policy jurisdictions. • Draft recommendation 2.4 which proposes an increase in the hourly subsidy rate for additional educators to cover 100% of the cost of employment, removing limits on weekly hours and aligning with child's enrolled hours and allowing a more diverse staff cohort to be employed in these roles, will contribute positively to the capacity of mainstream OSHC services to appropriately support children and young people with complex disabilities.

Draft recommendations (DR number)	OSHCA perspective
	<ul style="list-style-type: none"> • While these amendments would be beneficial, they do not respond to some of the key limitations of this funding stream, including that services are prevented from allocating additional educators to individual children or small groups of children, even though applications are made on behalf of individual children. This is a problem, because it limits the usefulness of the additional educator, particularly as it relates to supporting children and young people with high personal care needs (toileting, hoisting, assistance eating etc.). There are several scenarios in mainstream OSHC services where children and young people with disability may require a higher level of individual support, and the status quo creates a situation where the higher the needs of the child, the less the service is able to receive support that is appropriate. This is discriminatory and not inclusive. This is also an issue with the current overall service cap on the number of additional educators. This provision does not acknowledge that some services may have a much higher concentration of children and young people with complex needs and serves to further limit the effectiveness of the additional educator model. • Moreover, the fact that ISP is not available at all to support children and young people with the highest needs who are attending special schools is a significant limitation. These children and young people are not eligible for any Inclusion Support funding as they are not attending services with their “typically developing peers”. The version of inclusion espoused by the ISS guidelines structurally denies access to care to the most vulnerable cohort of children and young people – those with complex disabilities. For the reforms to the ISP to have a meaningful impact on access to care for these children and young people, the fundamental understanding of inclusion must be rethought. The Productivity Commission should consider a more comprehensive set of recommendations regarding the ISP to ensure that OSHC is available to all children and young people as espoused in the draft report. • In relation to draft recommendations 2.5 and 2.6 OSHCA is supportive and notes that the current system requires substantial change in order to be effective and best serve children and become workable for service providers.

Draft recommendations (DR number)	OSHCA perspective
Issue: ECEC services do not consistently respond to family needs	
<p>Ensure integrated services are available where needed (DR 7.1)</p> <p>Support connections between ECEC and child and family services (DR 7.2)</p> <p>Introduce a higher hourly rate cap for non-standard hours (DR 7.3)</p> <p>Examine planning restrictions related to operating hours (DR 7.4)</p> <p>Ensure occasional care is available where needed (DR 7.5)</p>	<ul style="list-style-type: none"> • There are significant differences in the role of OSHC services in the life of a child when compared with preschool or long day care. OSHCA could support greater service integration where it better supports the needs of children and families, should these differences be considered. While OSHC services play a vital role for many children and families, in this instance the role of daycare is similar to formal schooling. Any final recommendations made in relation draft recommendation 7.1 and 7.2 should acknowledge different requirements dependant on service type as appropriate. • OSHCA is supportive of draft recommendation 7.3 and notes that while OSHC services are already somewhat non-standard hours in some jurisdictions there is a growing demand for early i.e. 6am starts and later finishes, this is currently occurring more in Queensland than other jurisdictions.
<p>(draft recommendation 9.2)</p> <p>The Australian, state and territory governments should form a new National Partnership Agreement (NPA) for Early Childhood Education and Care (ECEC) by 2026. The NPA should articulate the national vision for ECEC and clarify roles and responsibilities between all governments. • The Australian Government should remain responsible for early childhood policies in the years before preschool and for associated funding responsibilities and for the funding of outside school hours care through the CCS. • State and territory governments should</p>	<ul style="list-style-type: none"> • While OSHCA supports moves, including those addressed in relation to thin markets to ensure OSHC services are available wherever they are needed by families, we stress our opposition to the idea of OSHC becoming state managed through an NPA or other means in the strongest possible terms. • Some of the greatest challenges faced by OSHC providers and the deepest inequities across our sector exist because of varied legislation and regulations across jurisdictions. It is unclear to how a state-based system would meaningfully improve any of the key issues raised. It is overly simplistic to consider that schools or states should manage the regulation and funding of OSHC simply because the children are school age. • As noted throughout this submission, what is key for both families and providers is greater harmony across jurisdictions, increased recognition that some regulations that are appropriate for daycare are not appropriate for OSHC and a system that provides

Draft recommendations (DR number)	OSHCA perspective
<p>remain responsible for preschool, school readiness and take on the responsibility of ensuring the delivery of outside school hours care in government schools. • Governments should build upon the Preschool Reform Agreement to ensure funding supports the desired outcomes, regardless of the preschool delivery model adopted in each jurisdiction. The NPA can also help to establish a more formal stewardship approach, underpinned by an ECEC Commission</p>	<p>parents who need care for their children while the work with certainty. We do not believe this can be achieved by increasing state control of OSHC and fail to understand the justification beyond the age of a child and the current challenges with the NQF, we also note it is entirely possible that the challenges with the NQF and it's lack of appropriateness for OSHC services will be addressed through work that is already underway.</p> <ul style="list-style-type: none"> • OSHCA are not opposed to an NPA in theory but would strongly resist any move to decouple daycare and OSHC and make OSHC state run. While the delivery method is somewhat different, daycare and OSHC they solve the same challenge for families and contribute enormously to productivity. • It is clear that OSHC is a service that is growing in terms of its popularity and necessity and that it meaningfully solves productivity and workforce challenges for the broader economy. • While we appreciate the intent to ensure access for children wherever it is required OSHCA would suggest there are far simpler, far less disruptive solutions to achieve that end, including many that are outlined in this submission. • As noted in the associated information request, OSHCA supports the continuation of national based systems for all ECEC services including OSHC. While it is difficult to provide support for a hypothetical body, OSHCA would expect that any national commission could meaningfully support increasing uniformity across Australian jurisdictions. • OSHCA could supports a Commission that: <ul style="list-style-type: none"> ▪ Oversees the implementation of quality standards across ECEC services. ▪ Provides a platform for sharing best practices and innovations in OSHC. ▪ Addresses feedback and concerns from providers and families alike. • Including ACECQA within this commission could streamline regulatory processes. However, it's vital that the Commission maintains an independent capacity to address sector-specific needs, especially those pertaining to OSHC.

Draft recommendations (DR number)	OSHCA perspective
Issue: Quality is paramount to achieving the benefits of ECEC	
<p>Improve regulatory authorities' performance reporting (DR 8.1)</p> <p>Review how services are assessed against NQF (DR 8.2)</p> <p>Ensure regulatory authorities are adequately resourced (DR 8.3)</p> <p>Incentivise quality provision in new ECEC services (DR 8.4)</p>	<ul style="list-style-type: none"> • In relation to draft recommendations, 8.1, 8.2 and 8.3 OSHCA is in agreement with the Commission that the time between ECEC quality assessments undertaken by state regulatory authorities is unacceptably long and risks the continued provision of poorer quality services, undermining the value of quality ratings. • Further, families are often unaware of or do not value ratings against the NQF framework. In relation to OSHC services it has almost no impact on whether a family elects to use the service given the service is fundamentally connected to the school. • OSHCA supports draft recommendation (8.2) for ACECQA to review the National Quality Framework with a focus on the way in which services are assessed against the NQF with a view to making assessments more accurate consistent and efficient. • Further, it is important to note that, in terms of motivating factors to continue delivering high quality services, OSHC services are likely to be more motivated by continuing to provide a quality service that is supported by the school over any rating system. This is primarily due to fact the school is significant stakeholder and a key decision maker in terms of whether a service will remain operating on any given school site. • In addition to the findings already covered by the commission OSHCA would further note that while a national system is important to ensure consistency there is significant inconsistency in how assessments are conducted across regions and in many instances, it appears jurisdictions are interpreting regulations differently. • OSHCA members also report that there is an extremely variable application of regulation and that there is a need to assess all services equally irrespective of service size or how long they have been operating. • In response to Draft Recommendation 8.4 regarding the consideration of a provider's existing service performance in new service approval decisions, we express our support with specific recommendations for its implementation. This approach ensures that quality standards are upheld across the sector, encouraging providers to maintain high levels of service. It also aligns with our commitment to delivering excellent care

Draft recommendations (DR number)	OSHCA perspective
	<p>and education, reinforcing the principle that quality should be a decisive factor in sector expansion.</p> <ul style="list-style-type: none"> • However, we suggest the following considerations to ensure the recommendation's effectiveness and fairness: <ul style="list-style-type: none"> ○ Transparent Criteria and Process: Establish clear, transparent criteria for evaluating a provider's existing service performance. This clarity will help providers understand expectations and how to meet them, ensuring a fair and consistent approval process. ○ Support for Improvement: While prioritising higher-rated providers, there should also be a mechanism to support providers with lower ratings to improve their services. Offering guidance, resources, and time frames for improvement before reapplication can foster a culture of continuous improvement across the sector. ○ Balancing Access with Quality: In areas with limited-service availability, consideration should be given to ensuring that children and families have access to needed services. While prioritising quality is paramount, the framework should also address service deserts to prevent exacerbating access issues. ○ Regular Review and Feedback: Implement a regular review process for the criteria and decision-making processes related to new service approvals. This review should include feedback from various stakeholders, including providers, families, and regulatory authorities, to ensure the system remains relevant, fair, and effective. • Incorporating these considerations will ensure that the recommendation not only promotes quality across the sector but also supports providers in their journey toward improvement, balances quality with access, and fosters innovation and diversity in service offerings.