

Submission to Productivity Commission

February 2024

A path to universal access to early childhood education and care draft report:

Creche and Kindergarten Association Limited response

Where children come first.



C&K - Where every child flourishes

As a not-for-profit organisation, children are at the centre of everything we do. The core purpose of our work is to create learning environments that allow children to flourish. For C&K, flourishing means that children are confident, secure, courageous, engaged, empowered, empathetic and resilient. As a not-for-profit organisation, we re-invest profits across our portfolio so we can support thousands of Queensland families. In 2023, we welcomed 19,000 Queensland children into our centres.

Creating high-quality learning environments requires highly qualified people, delivering high quality education programs, that respond to today's children and empower them for the world of tomorrow.

In 2024, C&K employs more than 2,300 staff across our central office, state-funded kindergartens, childcare and extended hours kindergarten programs. As a Central Governing Body (CGB) we also support 153 affiliated kindergartens, operated by voluntary management committees. We partner with the Queensland Government to provide governance and management support to these community-based kindergartens.

At C&K, we are proud of our 117-year history of creating generations of life-long learners. The secret to our longevity is simple – we keep children at the centre of everything we do, we adapt to changing environments and we innovate to ensure we remain leaders in high-quality early childhood education and care.

C&K has an enviable reputation and is a brand synonymous with high-quality early childhood. We are a large ECEC provider, spanning varied geographic and socio-economic communities. C&K delivers a range of programs, under multiple funding models, with experience in delivering innovative models that respond to community needs.

We are leaders in workforce, quality, inclusion, and operating services in rural and remote communities. Our longevity and ongoing organisational sustainability are reflected in our higher employer retention rate, high utilisation rate, and, most importantly, our high-quality ratings. Operating both childcare under the Child Care Subsidy, and kindergarten under the Queensland Kindergarten Funding Scheme, gives us unique insight into the state and commonwealth funding models.

C&K families tell us of the importance of early childhood education and care in providing their children with the foundational skills for lifelong learning. We have considerable experience in supporting families experiencing vulnerability and disadvantage and providing the conditions for those families to better support their child's learning, development, and wellbeing. Early learning is not only a fundamental, essential service for families - it provides children with lifelong benefits from participation.

Introduction

C&K welcome the actions of the Australian Government in committing to a universal early childhood education and care (ECEC) system. We thank the Productivity Commission for the thoughtful and thorough approach taken to the draft report and the recommendations that address critical opportunities to strengthen the Australian ECEC system. We are confident that the report will greatly assist the Government to implement their election commitment.

C&K considers that the work of the Productivity Commission, Australian Competition and Consumer Commission inquiry into the price of childcare, the National Vision, and Early Years Strategy, lay the foundations to create historic reform to support Australian children in their early years.

C&K have supported the work of two further submissions, The Front Project Children's Perspectives of the Early Years and as a member body with ELACCA. While the sector as a whole may not agree on all aspects of the PC recommendations, there is an agreed appetite and willingness to reform the early childhood system. We want to send a clear message to Government that we are ready.

This final submission builds upon our previous submission with a focus on the draft report's key findings, recommendations, and information requests that C&K can most helpfully contribute further information for consideration.

Executive Summary

C&K welcomes the Productivity Commission's draft report and commends the commission for the representation of children and families at the centre.

These reforms, coupled with considered implementation and collaboration between local, state and Commonwealth governments, have the power to fundamentally change Australia for the better. C&K encourage the Productivity Commission to be bold in synthesising the evidence base and stakeholder contributions into aspirational reform initiatives and clear actions.

C&K are broadly supportive of the key findings and recommendations in the draft report, including:

- Recommending up to 30 hours / three days a week of quality ECEC to be available for children up to 5 years – including increasing the subsidy for low-income families and removing the activity test.
- Recognising that significant attention needs to be given to workforce, including addressing wages and conditions as the first step.
- Recognising that universal ECEC requires action to make services truly inclusive.
- Recognising the importance of quality and the impact of inconsistent resourcing of regulatory authorities.
- Recommending solutions to provide greater clarity on the roles and responsibilities of jurisdictions under shared objectives, including a new ECEC Commission tasked with oversight of implementing universal ECEC.

In addition to our detailed responses, we would like to highlight the important themes of high quality, dual objectives, community kindergarten and funding and growth.

High quality

C&K welcome the Productivity Commission's commitment to embed high-quality across the key aspects of the ECEC system. We do however have some concerns that the importance of high-quality provision can be lost if only recognised as an element of 'availability'. Given the strong evidence base supporting the importance of high-quality provision, we believe that High Quality must be a key pillar of all policy. We note that the draft report at times shifts between the use of the term 'quality' and 'high-quality'. The final report should consistently reference high-quality.

Dual objectives

It is clear in the draft report that ECEC is regarded as an essential backbone with dual objectives of child development and family functioning. Some recommendations clearly prioritise family functioning over outcomes for children. While recognising the inherent tensions within these dual objectives, C&K sees an opportunity for the final report to explicitly respond to these dual objectives, ensuring a delicate balance in policy design. Commitments with one objective in mind can negatively impact the other objective, and this needs to be an ongoing filter for all initiatives, and the sequencing of reform. The importance of the child's experience must remain at the forefront of all policy initiatives.

C&K strongly encourage the Productivity Commission to use its broad terms of reference that capture the whole ECEC sector and its funding levers across multiple tiers of government to design workable and aspirational solutions for the Government that can appropriately balance this duality.

Community kindergarten

Underpinning C&K's submission is a commitment to the continuation and growth of the preschool/kindergarten model. In Queensland, the community kindergarten model, either owned or affiliated to a small group of not-for-profit early childhood providers prescribed in Queensland legislation, has created a rich and unique model which is renowned for high quality and deep child centred provision. This model has been a hallmark of the Queensland education system for more than

100 years, is valued by families and communities and needs to be protected and supported to grow and adapt into the future.

Community kindergartens are leaders of high-quality programs and as such, reform to kindergarten in a childcare setting should seek to reflect the successful aspects of community kindergarten, such as consistent peer groups, teacher non-contact time, qualifications, and workforce conditions.

Since C&K's 2023 submission, Queensland kindergarten providers have implemented Free Kindy from January 2024, and the ACCC final report has confirmed that families are navigating complexity when making decisions about childcare, in areas where there is choice. As preschool was not in the ACCC terms of reference, the report does not consider further complexity experienced by families with preschool age children. In our response to Universal access via a child-based entitlement, we have provided detail on C&K's models of provision, including longer days and after-kindergarten education programs. We provide these in the interest of transparency of our experience and learnings of implementing varied models.

Funding and growth

C&K note the ACCC final report's findings that the childcare market is not working effectively to meet community and government expectations and objectives, and their proposal of a funding and regulatory response to the categories of adequately served, under-served and unserved markets.

The Productivity Commission's final report should explore this further, by using the market categories identified by the ACCC to clarify PC recommendations.

NFP market share has been continually declining over the past 10 years, and as such, C&K are encouraged by the draft report's request for more information regarding not-for-profit (NFP) expansion.

C&K are calling for a re-balancing of the market and a government commitment to ensure that the NFP sector can grow at the same pace as the FP sector, particularly as the sector moves into an era of reform implementation and growth. It would be appropriate for the growth of the not-for-profit sector to be an expressed policy objective of government, with reforms and programs attached to the NFP sector, and we have provided more information in our submission to support that position.

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- Draft recommendation 6.2 – Modify the Child Care Subsidy to improve affordability and access
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Universal access via a child based entitlement

This section responds to:

- Draft finding 5.1 – All children aged 0-5 years should be able to attend up to 30 hours or three days of quality ECEC a week for 48 weeks per year
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To implement a truly universal ECEC system, families need access to a range of supports that will be dependent on their circumstances and need. Universal does not mean uniform and it does not necessarily mean free.

From a practical point of view, universal means that ECEC places are available in geographically suitable locations at a non-prohibitive cost to families when families need it. However, for universal access to be truly transformational, it needs to support families to feel confident in the system and quality of the setting building confidence to participate in paid work, along with addressing barriers to workforce participation created by a taxation system that does not incentivise double income families.

In C&K's June 2023 submission, we recommended that universal access would require a new or reformed funding model that was customised to suit different setting types.

C&K support in principle, a commitment to three days or 30 hours of a universal ECEC entitlement that is not dependent on parent or guardian activity in work or study. However, in order for this entitlement to logically work for families, it needs to be carefully considered across all early childhood settings, not just those within the current Child Care Subsidy (CCS) system.

We have first-hand experience of the way a policy change in one funding mechanism changes the options for families and makes one setting type more affordable than another. Any policy or funding position that inadvertently decreases the viability of a service type can have detrimental effects on the system and limit choice for families. C&K recommend that the final PC report includes broad consultation across all service type providers to fully understand the intended and unintended consequences of the recommended funding mechanisms.

Funding

C&K supports a funding model that:

- provides genuine choice for families as to the service type that suits their family needs and expectations,
- incentivises the employment of qualified staff,
- controls the majority of centre running costs, greatly reducing parent fees,
- be a platform for needs-based subsidy for children with disability, additional or complex needs, at risk of vulnerability and First Nations children, whereby the supply side funding can be increased to address these needs in a responsive way,
- is nuanced for multiple ECEC settings and provide greater simplicity for families navigating the system,
- incentivises the workforce to upskill and support the growth of a qualified workforce across all age groups.

Preschool / kindergarten and “wrap-around” programs

In principle, C&K supports Recommendation 7.6 to implement an out-of-preschool hours program on the basis that it responds to the changing and varied needs of families. Such a model enables community kindergartens to more effectively respond to the dual goals of workforce participation and child outcomes whilst maintaining the elements that make their setting so valued and successful.

However, C&K make two critical points:

- 1) The integrity of the preschool model must be retained promoting the consistent cohort and stability of staffing conditions.
- 2) The wrap-around program must maintain the requirements of NQF for children in an early childhood setting and not adopt the reduced quality requirements of an Outside School Hours provision.

C&K has piloted a limited number of hybrid and extended-hours kindergartens, where families have a range of subsidy choices to meet their needs. Table 1 explains the variety of models C&K have trailed in response to changing family needs or to help centres remain viable.

Table 1: C&K Kindergarten models currently in place

Model and dosage	Subsidy	Restrictions / challenges
Traditional model: 6 hour program 5-day fortnight, during school terms.	State funded kindergarten	Popular with many families, although the hours do not suit all working families. Operating times are developed in coordination with local schools and families to adapt to community need and context – within the limitations of the 6 hour day.
2 long day model: 7.5 hour program 2 days per week, during school terms	State funded kindergarten	Popular with families Longer days are offered when it is apparent that there is community need. This model is typically more amenable to workforce participation.
Extended hours kindergarten: hybrid Kindergarten is delivered via the traditional model: 6 hour program 5-day fortnight, during school terms. Kindergarten program runs from 8am – 2.08pm during school terms After kindergarten education program from 2.08pm – 6pm Holiday program during April, June, September and December/January operates from 8am – 6pm.	CCS funding applies first, with State kindergarten funding covering gap fees for the kindergarten program up to 600 hours per year. CCS is available for the after-hours education program and the holiday program.	Families can choose: - to enrol in the Kindergarten program only - longer days subject to availability - holiday program subject to availability The kindergarten group operates fixed cohort program as follows: - Group A (6 hours per day on Monday, Tuesday, alt Wednesday) - Group B (6 hours per day on alt Wednesday, Thursday, Friday) This model most closely resembles the PC proposed wrap-around model however, the C&K Hybrid Kindergarten program is eligible for CCS as an option for the full day, unlike the PC proposal which applies CCS to the after-kinder component only.
Extended hours model -full CCS Kindergarten program runs during school terms, from 8am – 2.08pm	CCS funding applies first, with State kindergarten funding covering gap fees for the kindergarten	Under this model families must enrol in a group, for a full day including a kindergarten, after hours education program, and the school holiday program.

After kindergarten education program operates after the kindergarten program hours until 6pm. Holiday program during April, June, September, and December/January runs from 8am – 6pm.	program up to 600 hours per year. CCS for after-hours education program and the holiday program.	Unlike the hybrid funding, families don't have the choice to just attend just the kindergarten program hours. The kindergarten group typically operates as follows; - Group A (7.5 hours per day on Monday, Tuesday) - Group B (5 hours per day on Wednesday, Thursday, Friday) Families will receive CCS based on their individual eligibility and any gap fee for the kindergarten program hours, up to 600 hour per year, is covered by State kindergarten funding. This model most closely resembles a centre based day care model, except enrolments are in fixed groups, and the kindergarten program runs during school terms only.
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Overall, C&K's experience is that:

- Community kindergarten hours are suitable for many families within our network, with the hours suiting family choices, care arrangements and work patterns. It should not be presumed that these models have negative impacts on the family unit.
- Where there is critical mass of parent need, we have trialled a longer-day program. This program could roll out in more centres if CCS requirements were changed as per the PC's recommendation 7.6.
- Implementing mixed funding programs can be challenging for families to understand and requires considerable work on behalf of the provider.
- The extended hours model: hybrid, most closely resembles recommendation 7.6, noting that C&K can only run this model where there is sufficient demand and suitably qualified staff. This model only runs at centres offering two-or three-room programs per day, i.e. 44 or 66 operating places per day.

Implementing a universal entitlement – for preschool age children

In C&K's 2023 submission we recommended that a reformed early learning system must include a national commitment for preschool for three and four-year-old children, with a consistent and nationally agreed dosage. Whilst it is encouraging that jurisdictions across Australia are progressing toward a commitment for three year old children, with some moving to a higher dosage for four year old children, the varied entitlement across borders is inequitable for children.

C&K encourage the Productivity Commission to provide more detailed modelling on how it anticipates that 15 hours per week of kindergarten is incorporated into a 30 hour ECEC entitlement, and provide clear recommendations on how the funding applies within the preschool sector. C&K's position is that the 15 hours remaining in the child based entitlement after kindergarten is utilised, should be made available to enrol in a second community kindergarten program, or use those hours to fund extended kindergarten hours or holiday programs. Currently children who wish to participate in a second community kindergarten do not receive any subsidy.

Consistent peer groups and quality

Consistent peer groups are a key unique factor that contributes to the success of high-quality provision in community kindergarten settings. In centre based long day model, kindergarten teachers

face additional complexity including multi-age cohorts of children and inconsistent attendance patterns. It is possible to build in greater peer group consistency to the centre based long day model but this relies on parents choosing consecutive days in a consistent attendance pattern.

Table 2: Consistent peer groups per setting

Setting	Setting description	Impacts
Stand alone kindergarten	Children enrol in a group with fixed hours and days, to a total of 15 hours per week, 40 weeks per year.	Consistent teaching team and child cohort – children can rely on the same relationships and pedagogical continuity each day they attend.
Kindergarten in CBDC	Children enrol on days based on parent activity. Peer groups vary each day of the week. I.e., Child A attends Monday, and Thursday. Child B attends Tuesday, Thursday and Friday. Child C attends Monday, Tuesday and Wednesday.	Enrolment on days as needed by families with activity/productivity in mind. Social dynamics vary each day dependent on the mix of children. Teachers need to differentiate planning and behaviour support each day depending on dynamic of group of children. Pedagogical continuity is more complex given the changing group each day. Children's feelings about attending may change depending on the day, due to part time teaching staff, or children that don't attend on given days.

An entitlement of 30 hours for children aged birth to 3

Whilst C&K support the entitlement as proposed by the Productivity Commission, we want to highlight some risks in the balancing of the dual objectives of workforce productivity with child outcomes. As we commented in our first submission, there has not been sufficient attention paid to the quality of Australian birth to three environments. The greatest funding and support for qualified staff has been directed at children over 3, little has been done to address the critical first 1000 days. C&K will only support a 30 hour entitlement for this age group if there are corresponding programs to address the unique needs of children in the birth-to-three age group including an uplift in the qualifications requirements for those working with the youngest children.

An entitlement of 30 hours from birth needs to give families genuine choice to take such an entitlement as paid parental leave rather than being constrained to use only the long day early learning option. Whilst we understand that paid parental leave is not within the terms of reference of the Productivity Commission inquiry, we urge the Australian Government to ensure that any birth-to-three entitlement to early childhood education and care be weighed with the choice to have a parent or guardian supported to stay home with their child in their earliest months and years.

There is also a risk that expressed as an 'entitlement', families may view the entitlement as something that they should use or is in their child's best interest, rather than make genuine choices about how they balance work and family choices in a child's earliest years. C&K support universal access to ECEC (not constrained by an activity test) for children of all ages but families should have genuine choices rather than be directed toward a narrow entitlement. This policy cannot be considered in isolation of paid parental leave - they should be complementary.

Not for profit expansion and market planning

This section responds to:

- Information request 5.2 – Planning processes
- Draft recommendation 6.2 – Modify the Child Care Subsidy to improve affordability and access
- Draft recommendation 7.6 – Support out of preschool hours ECEC
- Information request 7.1 – The CCCF as a vehicle to address practical barriers to ECEC access

C&K welcomes the Productivity Commission's interest in not-for-profit providers. NFP providers play a crucial role in the broader ECEC sector, with C&K and other NFPs leading on quality, wages, and inclusion. C&K reinvest surplus into the organisation to provide additional support to centres to ensure quality, regulation, pedagogy, curriculum, wellbeing and inclusion, and this investment has significant flow-on effect to the broader sector.

The NFP sector has played a critical role in driving quality improvement and remunerating staff appropriately. We have also carried the majority of load in relation to inclusion. C&K invests over \$1 million per year on top of government funding to ensure all children can be fully included in our early learning programs. In addition, the ACCC findings provide a clear evidence base that NFP providers are operating efficiently and effectively, with lower fees to families.

NFP market share has been continually declining over the past 10 years. C&K are calling for a re-balancing of the market and a government commitment to ensure that the NFP sector can grow at the same pace as the FP sector.

Further, we believe the NFP sector are well placed to deliver early childhood services on behalf of government, in alignment with government objectives, as is already happening in community kindergarten.

NFP providers are also well placed to resolve workforce challenges sooner. The NFP sector's workforce has more permanent staff, a larger geographical spread of staff, higher retention, and higher wages. C&K employee engagement data shows that our employees are strongly aligned to C&K's social responsibility and inclusivity values.

It would be appropriate for the growth of the not-for-profit sector to be an expressed policy objective of government, with reforms and programs attached to the NFP sector.

Partnership approach to growth

Partnerships with governments and novel solutions to capital growth in the NFP sector are needed to ensure growth in the infrastructure required to respond to increased demand for early childhood services which result from the changes recommended by the Productivity Commission.

Infrastructure programs will be needed to build new centres, expand existing centres, and complete needed maintenance on older, community managed centres.

C&K propose that jurisdictions take shared accountability to deliver infrastructure programs by providing access to government land and planning for early childhood services where new housing or infrastructure is being developed.

The introduction of low- or no-interest loans and joint partnership arrangements for NFPs would reduce the financial risk associated with projects to increase NFP capacity in the market for early childhood education and care. The cost structure of many NFP providers (particularly in relation to paying centre staff above award wages), and generally more conservative risk appetite of NFP Boards, means that investment hurdles will be higher than in the for-profit sector.

A no-interest loan would save \$138,000 per year in repayments on an \$8 million loan with a 20-year term and 3% interest rate. To be truly effective however, access to low- or no-interest loans would need to be accompanied by access to suitable sites on which to develop new infrastructure. It is further noted that this approach is unlikely to be successful in areas of low or transient populations where asset utilisation will not be sufficient to deliver an appropriate return on investment.

Such a partnership arrangement would facilitate shared responsibility for risk and planning.

Planning and access to land

A key barrier to NFP growth is access to suitable land for developing high quality childcare centres and kindergartens. In the past C&K has been a beneficiary of state and local governments offering community leases at peppercorn rates. We have not received any meaningful offers to community use land in recent years which would enable us to grow at a faster rate.

We note that in areas of strong population growth that access to community use infrastructure or even community zoned land is non-existent and is resulting in the NFP providers being significantly underrepresented in new residential growth corridors. For example, C&K has faced challenges in entering growing markets in South-East Queensland via community zoned sites, or through commercial deals, in Springfield, Yarrabilba, Ripley, Flagstone and Aura. All of these areas have experienced very strong population growth with a proportionate increase in supply of childcare coming almost exclusively from for profit providers.

We contribute our lack of success in growing in these corridors to the very attractive commercial terms that for-profit providers are able to offer prospective landlords. This tends to be due to the fact that for-profit providers often want as many places as possible as the space will allow, while C&K is less willing to compromise if we believe smaller amounts of space per child will reduce the quality of the centre. This can often mean that deals are either not viable for C&K or, in many cases, the site fails to meet the expectations we have for high quality physical environments.

Ultimately, despite C&K assessing 300 potential sites over the last three years, many of these opportunities are deemed as unsuitable for us to deliver a high-quality physical environment for children that is also financially viable.

One strategy to increase NFP access to viable land would be through an allocation of land from new schools. Existing school sites could also be reviewed for latent capacity or for investment in new infrastructure for early childhood services. C&K is fairly unique among NFPs in that we do have financial means to contribute to infrastructure and development if the land was made available and leases were sufficient.

New hospitals and other public infrastructure projects and existing assets could also be considered for NFP growth – particularly in areas of known population growth or where there is a known supply shortfall. Large master planned communities should also be required to provide community zoned sites, to ensure that NFP providers have access to suitable land in these growing areas. It is not uncommon for large residential estate developments to allocate land for schools and other community uses, and this can be expanded to NFP providers – if the space is not made available on or near the new school site.

Local government planning

From a planning perspective, inconsistency between councils in Queensland is an ongoing challenge when looking for viable ECEC sites. An example of this is differences in the number of car parking spaces required for a new centre between councils. A new ECEC Commission could coordinate efforts of regulatory bodies to collaborate with local government areas to ensure centre designs can be given regulatory approval. Collaboration of this type would remove uncertainty for developers and should result in greater transparency for the sector.

We also highlight that there are many childcare centre development applications in South-East Queensland that are being deferred or abandoned – we see this as being driven by a combination of rising construction costs and growing uncertainty regarding service approval.

Barriers to NFP expansion

Due to paying higher-than-award wages, NFP providers usually have a high financial breakeven point, often above 80% utilisation, meaning we will not usually enter into new developments unless there is very good evidence of existing high demand or, growth in demand.

If there is demand, C&K will then consider the site/s available, and if we can build a centre with the indoor and outdoor space that will enable our high-quality program. C&K view the regulations for indoor and outdoor square metre requirements to be minimum requirements, and typically will seek sites that will provide appropriate amenity for children rather than meeting a minimum standard. Increasingly we find that families seek settings with spacious natural playgrounds and internal spaces that allow for natural light and healthy air flow.

There is a persistent challenge for NFPs to raise and deploy capital. The business case for doing so is challenging when competing against for-profit providers who maximise the number of approved places. This is an attractive proposition for landlords as rent is typically set per place so more places supports higher gross rent.

Competition for development land is high in areas experiencing rapid population growth and this is of particular concern in South-East Queensland where much of this growth is occurring adjacent to existing lower sociodemographic areas in Logan, Ipswich and Caboolture. High quality providers like C&K are struggling to gain a presence in these areas.

We also recognise that there is limited or no competition in some regional areas – we believe this is a function of ongoing staffing challenges and lower population growth to underpin a viable operation. C&K is particularly interested in expanding both its sessional kindergarten and CBDC offering in regional areas however cannot develop viable business cases without long term government support.

Whilst C&K is a strong supporter of NFPs being tasked with filling gaps in thin-markets, it should not be the only market where NFPs are supported to grow.

The Community Childcare Fund (CCCF)

C&K has benefited from CCCF grants in the past, but with varying success. Our experience has been that the short-term funding agreements and reporting requirements are onerous and place additional requirements on staff in centres that are already experiencing significant staffing and workforce challenges. These requirements are a deterrent in applying for future rounds of the CCCF.

We also note that the CCCF is currently designed to aid centres in working towards viability however, some centres are not able to operate viably in some regional and disadvantaged areas. These centres should also be able to access funding for longer periods, greater than 5 years, to enable longer term planning and provide security to current and future staff and the community. There is a need for long term place-based solutions in communities where ECEC is required but are operationally unviable for the existing market to provide.

Availability can only be improved if workforce challenges are resolved

This section responds to:

- Information request 3.1 – ECEC related vocational education and training
- Information request 3.2 – Effectiveness of traineeship arrangements
- Information request 3.3 - Failing completion rates for early childhood teaching qualifications

The sector is currently experiencing considerable workforce challenges which will need to be resolved in order for the sector to deliver on the Government's strategy and vision for the early years and for Australia's children. The situation demands radical revisioning of pathways into early childhood careers and incentives to retain and grow a highly qualified workforce.

C&K support long-term sustained supports to grow the workforce that are required to deliver universal access and best outcomes for children. We are concerned that short-term fast tracked solutions do not embed the rigour and deep learning that is required to undertake the complex work of educating and caring for young children.

Evidence shows that staff qualifications are the key driver of knowledge and skills, leading to high-quality environments and improved child wellbeing and outcomes. Robust initiatives that uplift workforce qualifications and experience will positively impact quality and lead to improved child outcomes.

Government investment should initially be focused on boosting wages and conditions, supporting education and qualification completion, growing the pool of new and qualified early childhood education and care workforce entrants, and retaining a qualified workforce. Over the longer term, there is an opportunity for significant industrial reform that does not diminish the qualification requirements of the NQF but builds accessible pathways to career progression.

C&K encourage the PC to explore the following opportunities:

- To consider learning from the experience of community kindergartens and explore how those favourable wages and conditions can be extended to those currently covered under the Children Services Award.
- Use outcomes from multi-employer bargaining and state-based workforce initiatives to shift the deficit narrative away from low wages and recognition to support the growth of entrants into the sector.
- Innovative solutions and partnerships to resolve recruitment issues in regional and remote areas, such as the provision of housing or other incentives.
- Implement a broader stewardship role at a national level to coordinate and support funding for workforce initiatives in collaboration with the sector.

Emerging trends and reform efforts on the horizon create an opportunity to showcase the varied professional roles and careers available in the sector alongside the narrative of child outcomes and workforce productivity. These include:

- Expansion of programs like kindergarten will require significantly higher numbers of qualified teachers and educators.
- Centre director roles are growing in complexity alongside the more complex administrative and regulatory environment, and complex needs of children. Leadership development will be required across the sector.
- Creation or growth of inclusion roles are much needed, but potentially will provide more competition with early childhood roles.
- The focus of government has largely been around three and four-year-old children. Expertise will be needed in the birth-to-three age group.

Qualifications

ECEC offers a wonderful career with a wide range of different roles available. The roles have diversified significantly over the past 10 years. Alongside the growth in demand from families for services is the complexity of delivering services and an ever-growing evidence base for the knowledge that underpins roles in the sector.

Qualifications are the foundation for all roles within the early childhood sector, and evidence shows is the key factor to providing high quality education and care. C&K recommends a range of initiatives can be implemented to support short and long-term challenges facing the early childhood workforce, including:

- Industrial recognition of partial/progress completion of bachelor's degree qualifications to recognise an Associate Teacher status.
 - This partial/progress can be recognised and appropriately remunerated once 50% of a bachelor's degree is achieved along with continuation of enrolment.
 - This approach could have an immediate impact on qualifications shortages, recognise the skills and knowledge of partially completed qualifications and incentivise people to enter initial teacher educator programs.
 - This strategy is an alternative to short courses or fast-tracking degree programs where knowledge and skill development is compacted rather than expanded.
 - Similar recognition could be applied to partial completion of diploma programs to further incentivise completions while not detracting from the rigour of study programs.
- National Teacher professional registration to enable all teachers to be professionally recognised and connected to their profession.
- Adequate recognition of the specialist knowledge required to work with young children.
 - Revision of initial teacher education programs for early childhood to ensure that the content of courses adequately covers the specialisations required to work with children birth to five years.
 - Current birth to 12 programs emphasise school syllabus curriculum at the expense of child development, curriculum decision-making, creative and expressive arts and infant toddler pedagogies.
 - C&K recognises the international definition of early childhood as courses that span the years from birth to eight. This provides graduates with sound knowledge of children in their early childhood years, the ability to work across the diversity of children's skills and abilities and to differentiate their teaching to address children's diverse learning and development needs and access to broad career opportunities aimed at retaining teachers in the profession over the long-term.
- Industrial recognition of postgraduate master's degree qualifications, particularly in Educational Leadership and specialisations such as inclusion, educational psychology, assessment and measurement. The cost of post-graduate study is rarely returned to graduates through financial recognition thus disincentivising the level of qualification required to build a strong leadership potential from the ground up.

Trainee arrangements

Traineeships are a great way to encourage new entrants to the sector, but the program needs improvement. To ensure traineeships are incentivised for the trainee, wages need to be higher and completion of qualifications incentivised. For the employer, funding and support is required to ensure centre based staff can adequately supervise the trainee. Counting the trainee as in-ratio staff should only occur if supervision is guaranteed and the trainee is paid as entry level to the relevant role.

C&K Currently employees 14 Trainees (Certificate III in Early Childhood Education and Care) and one Apprentice (Diploma of Early Childhood Education and Care).

A survey of C&K Directors indicated they value trainees and apprentices as opportunities to mentor and grow employees within the culture of the centre. They also saw the nurturing of a new member into the profession as a benefit for existing staff.

Directors with trainees and apprentices reported that there was some additional work with trainees and apprentices, including administration, but in most cases, this was outweighed by the benefits.

Trainee and apprenticeship positions are difficult to fill. In a market with high vacancy rates, the role is not as desirable or highly paid as an educator working toward their Certificate or Diploma.

Falling completion rates for early childhood teaching qualifications

C&K support greater government coordination and support to grow the pool of early childhood degree entrants, degree completions and ongoing support for early-career teachers to deliver high quality programs.

Accelerated degree programs have been proposed within the sector as a possible solution to fast track completions. C&K cautiously support this approach, on the basis that these courses are designed in collaboration with universities and the sector and provide the same level of rigor to the full degree program.

Such initiatives not only address the need for more qualified ECTs but also recognise the invaluable experience and skills that educators bring from their prior qualifications and professional practice. However, recognition of prior learning must be appropriate and recognise that there is a greater depth and breadth of academic knowledge attached to a degree compared to a diploma.

The ongoing issue of low wages explored elsewhere in this submission also impacts entrants into study, with a perceived and real negative cost benefit for students. The financial and personal investment in study is not returned in wages, particularly in the short term. Many courses present additional difficulties such as:

- unpaid practicum requirements that cannot be completed whilst working,
- courses that do not consider the unsustainable burden of working and studying full time loads concurrently, and
- lack of pathway building from the practical based certificate 3 and diploma into the knowledge based degrees.

Quality is paramount to achieving the benefits of ECEC

This section responds to:

- Information request 8.1 – Provision of service rating information for families
- Information request 8.3 – Support for services to meet the NQS
- Information request 8.2 – Regulatory action against serial underperformers

Provision of service ratings information for families

C&K support the following recommendations to make the NQS ratings more accessible to families.

- Requiring the state territory regulatory authorities to produce and distribute (via centre) a letter for families when centres receive a new NQS rating. This letter would outline:
 - the centre's new overall rating, quality areas ratings, ratings awarded for individual standards, how many elements were "met" out of 40 elements of the NQS, and if applicable list specific standards the centre has "not met".
 - meaning of or definition of rating(s), and if rated working towards, the letter should outline that centres rated Working Towards "are still providing a 'safe education and care program", and that a "Working Towards rating is not a 'failure', because 'the assessment and rating process was not designed to be a pass-fail system."
 - if applicable, listing and acknowledging centre NQS strengths e.g. Exceeding themes awarded.
- Requiring services to distribute state territory regulatory authorities' communication (as recommended above) within a prescribed timeframe.
- Requiring services to display current NQS rating chart on their website.

In addition, C&K propose that the current ACECQA 'NQS Rating Chart Template' be amended to reflect the ratings awarded to standards and indicate if any Exceeding Themes have been met. For example:

"Centre X" has an overall rating of Working Towards. Quality 1 is rated Working Towards as Standard 1.3 is rated Working Towards. All other Quality Areas (and their standards) are rated Meeting. Several Exceeding Themes have been met."

Unlike the current the ACECQA Rating Chart template at Figure 1, the proposed template at Figure 2 above indicates "centre X" is rated Meeting for standards 1.2 and 1.3 within Quality Area 1 and meets several Exceeding Themes. This template provides a better-informed picture of centre quality for families.

Figure 1: Current ACECQA 'NQS Rating Chart' template representing the above "Centre X".

Overall Rating: Working Towards							
Exceeding							
Meeting							
Working Towards							
	QA 1	QA 2	QA 3	QA 4	QA 5	QA 6	QA 7

Figure 2: Recommended amended 'NQS Rating Chart Template' representing "Centre X".

Overall Rating: Working Towards					
	Working Towards	Meeting	Exceeding		
QA 1					
Educational program and practice					
QA 2					
Health and Safety					
QA 3					
Physical environment					
QA 4					
Staffing arrangements					
QA 5					
Relationships with children					
QA 6					
Collaborative partnerships with families & communities					
QA 7					
Governance and leadership					

Support to services to Meet the NQS

C&K propose that all state territory regulatory authorities implement a consistent targeted quality support and monitoring program for centres rated Working Towards the NQS. Such programs have been implemented in NSW and have commenced in Queensland by their respective state regulatory authority. The primary purpose of the program would be to establish and embed continuous quality improvement at the centre, while working closely with Approved Providers. These programs should be short and intensive, building the capability of providers to deliver on the NQS.

Regulatory actions against serial underperformers

C&K support regulatory authorities increasing the number of announced and unannounced monitoring visits at centres rated Working Towards with 6 or more NQS elements rated not met. Whilst doing so, state territory regulatory authorities should exercise some understanding of how current workforce shortages impact centre quality. Increased compliance monitoring and enforcement at a service experiencing a period of inconsistent and high staff turnover will not result in long term embedded

quality improvement. C&K support state territory regulatory authorities to prioritise support and funding relating to workforce planning.

C&K also support funding consequences for centres where they have received targeted quality support from the regulatory authority and have been rated Working Towards two or more times in a row, with six or more NQS elements rated 'not met' and have not demonstrated a genuine commitment towards quality improvement.

A universal ECEC system has to be inclusive of all children

This section responds to:

- Draft recommendation 2.2 – Amend the Disability Standards for Education
- Draft recommendation 2.3 – Amend eligibility requirements for inclusion funding

C&K support the recommendations to amend the Disability Standards and requirements for inclusion funding. To further support these measures, the PC final report should include recommendations for increased funding to match the genuine costs of providing additional support staff.

As a provider implementing both the National Inclusion Support Program (ISP) and the Queensland state funded Kindergarten Inclusion Subsidy Scheme (KISS) we experience very different approaches to the supports in place to ensure inclusion of all children. There is room for improvement across both programs.

The ISP is administratively burdensome and lacks the level of responsiveness required to ensure that children can experience the inclusion supports they need from the first day of their enrolment.

Funding is often inadequate to meet the needs of the child across their enrolled hours and there is a reliance on low paid and minimally qualified staff to provide an extra pair of hands as the default for most children with inclusion needs. This model does not recognise the complexity of true inclusion and ensuring that teachers and educators have the supports they need to provide an inclusive program that does not compromise their psychological and physical safety.

The Queensland KISS funding is distributed by C&K to our branch and affiliated kindergartens following the guidelines set by the Department of Education. Our brokerage role in distributing funds is more responsive than the ISP and can ensure that children with high support needs have the supports they need from the first day of enrolment. The application process is streamlined and provides opportunity for teacher judgement to be considered. Regional advisors are able to support funding applications and provide recommendations for suitable levels of funding. While a more streamlined system, the funds provided are often insufficient to cover the need and similar to the ISP, C&K have concerns about the physical and psychological load on staff when funding is not sufficient to cover the true cost of inclusion.

Over the past 5 years C&K has contributed on average \$1million dollars per annum over and above the inclusion funding received from government in attempt to bridge this growing gap in available funds.

C&K welcomes the increased enrolment of children with inclusion needs. It is important that all children have the opportunity to participate in early childhood education and care. The inclusion programs however need to acknowledge this growth and impact on the complexity of teachers and educator's work. Reform must address the increasing number of children with inclusion needs enrolling along with greater synergies with the NDIS, access to specialist services in a timely manner and more highly qualified staff to complement the base staff ratios.

A commitment to building the inclusion capability of all teachers and educators should be embedded in all pre-service courses and as part of ongoing professional learning programs. We propose that each centre should be required under the NQF to have a suitably qualified and experience Inclusion Leader to oversee the inclusion program and capability building of all staff.

New coordination mechanisms will support universal access

This section responds to:

- Draft recommendation 9.1 – Improve policy coordination and implementation
- Draft recommendation 9.2 – Establish an ECEC Commission
- Information request 9.2 – An ECEC Commission

C&K support the PC recommendation that State and Territory Governments should retain their responsibility for preschool and to form a new National Partnership Agreement for Early Childhood Education and Care, overseen by a new ECEC Commission.

It is crucial that the framework to govern ECEC funding has the appropriate powers to lock in long-term funding. Long term funding security is critical to a provider's ability to grow and anticipate future demand and employ permanent staff. In addition, funding security is needed to give families piece of mind when planning to have children or return to work.

With that in mind, we recommend that the ECEC commission role be expanded to include planning and supply, price oversight, workforce initiatives and coordination, quality and compliance, and data, research and evidence. Greater oversight and coordination of these areas would significantly improve the alignment of the sector to government objectives.

The ECEC should also ensure that the pathway to reform is staged appropriately and scaled up over time.



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