



2024-25 Pre-Budget Submission

January 2024

A Joint Submission by:



Community Child Care Association



Community Early Learning Australia

About Us



Community Child Care Association

From a small beginning, Community Child Care (CCC) has grown significantly, and is now the peak body in Victoria for community-owned education and care, supporting long day care, outside school hours care (OSHC), kindergarten, family day care and occasional care educators, teachers, leaders, coordinators and directors. CCC's vision and purpose are underpinned by the belief that all children deserve the best possible start in life, regardless of their circumstances. Our vision is for excellent early childhood and outside school hours education and care for all and our purpose is to lead, support and advocate for accessible high-quality opportunities for children and families.

As a trusted sector leader, CCC provides leadership and advocacy, works with governments toward improvement in the sector and supports services with membership, quality professional development and consultancies. CCC equips and supports early childhood and outside school hours care services, educators and their communities with the skills and confidence to deliver high quality inclusive education and care services.

CCC's advocacy helps to enable and strengthen the development and retention of Victoria's community-owned education and care sector.

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Community Early Learning Australia

Community Early Learning Australia™ (CELA) is the voice for Australia's early education and care sector. As a peak body, our vision is for all of Australia's children to have access to quality early education, regardless of economic circumstance or where they live.

CELA supports over 1,800 members employing more than 27,000 educators and teachers nationally. Our members include community-managed not-for-profit, government, and privately owned small providers, delivering preschool, long day care, outside school hours care, and family day care services.

Our Mission is to:

- deliver effective and expert support for our members, enabling them to deliver quality early education and care for all Australia's children
- influence policy makers and government by amplifying the voices of community based and small providers
- promote the value and importance of community-based early education.

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Contents

About Us.....	2
Executive Summary	4
Our Plan to build our nation through Early Education & Care.....	5
Measuring What Matters.....	6
Recommendation 1: Universal access to early education & care	10
Recommendation 2: An early education workforce ready for the future.....	12
Recommendation 3: Inclusive early education for all children.....	15
Recommendation 4: Quality early education for all children.....	17
Recommendation 5: Quality services where they are needed.....	18
Recommendation 6: A sector ready for the future	20
References.....	22

Executive Summary

The Minister for Education the Hon Jason Clare MP has challenged the whole education sector to embrace the opportunity for big ideas and reforms. This is our response, outlining recommendations that match ambition with action.

This is a plan to build our nation through quality early education and care.

We are in the midst of the most significant reform opportunity in recent history and we can't afford to miss this moment. After decades of inaction and piecemeal solutions, we're excited to see real progress on improved access, workforce supply and quality. However, we know that the most challenging decisions must be made in the 2024-25 Budget.

It's clear that education and care is not affordable to families and children are missing out on quality services. If we invest in early education now, we can secure Australia's future for generations.

Investing in quality early education has never been more important.

To face the challenges of an ageing population, climate change and shifting economic priorities, Australia must be a smart and innovative country. Quality early education can help to drive sustainable productivity, grow our skilled workforce and reduce social inequity.

We can't close the education gap without the workforce to deliver quality services where they are needed.

Solving workforce shortages is the key to the success of the Australian Government's early education reform package, particularly universal education.

Our recommendations will ensure early educators receive the professional pay, support and recognition they deserve without increasing costs to families. They will also preserve the lower fees secured by the Federal Government's Cheaper Childcare reforms.

The Australian Government can unlock the potential of our sector for children, families and educators now by adopting our recommendations.

The early education sector has a track record of supporting successful large-scale national reforms. We are ready for the next phase of reform to achieve a universal, affordable quality early education system.

This submission outlines recommendations that can close the education gap and deliver the early education system that Australia deserves.

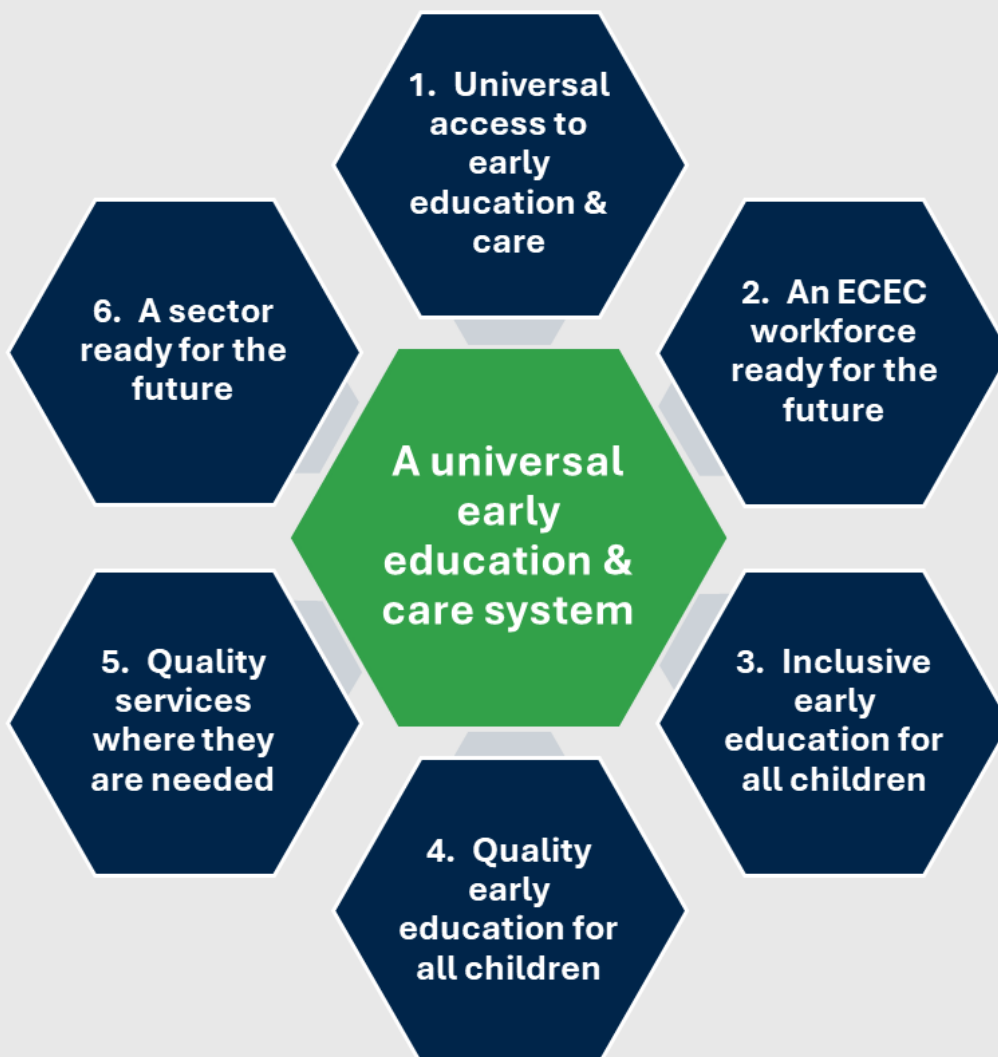
Our Plan to build our nation through Early Education & Care

Our Vision

A universal early education and care system that:

- sets children up for success at school and in life
- supports families to be a part of Australia's workforce
- delivers value for money to government.

2024-25 Budget Recommendations



Our Plan can **lower the cost of living** without raising inflation by:

- boosting the wages of over 140,000 low paid women
- maximising the value of the Cheaper Child Care reforms
- allowing an additional 98,900 parents to return to work.

Measuring What Matters

This Submission's recommendations support improvements in the following indicators under Treasury's *Measuring What Matters* Framework, as outlined below.

Prosperous Theme

Recommendation	Indicator	Rationale
Universal access to early education & care	<i>Childhood development</i>	Universal quality early education and care supports improvement of children's development across all five domains of the Australian Early Development Census.
	<i>Broadening access to work</i> <i>Job opportunities</i>	<p>Universal quality early education and care will boost the workforce participation rate for parents and carers, particularly women. This would allow an extra 98,800 parents to return to the workforce (Productivity Commission, 2021).</p> <p>Increased workforce participation by parents could produce a \$6 billion net benefit to GDP by 2050, based on a 0.09% increase in labour force participation from a 5% reduction in the net price of ECEC (PwC, 2014).</p> <p>Abolishing the Activity Test could increase female workforce participation by up to 39,620 and deliver economic benefits of \$4.5 billion per year (Impact Economics & Policy, 2023).</p>
	<i>Education attainment</i>	<p>Universal quality early education and care will help improve the number of people completing Year 12 or equivalent (Taggart et al., 2015).</p> <p>Children who participate in high quality early childhood education are more likely to complete year 12 and are less likely to repeat grades or require additional support (ibid.).</p>
	<i>Household income & wealth</i> <i>Income and wealth inequality</i> <i>National income per capita</i>	<p>A universally accessible, high-quality early learning system could lead to a 13 per cent increase in hours worked by second income earners (mostly women) with young children (Wood et al., 2020).</p> <p>For every \$1 invested in the early learning system, Australia receives \$2 back over the child's life (The Front Project, 2019).</p> <p>The multi-employer agreement can help to close the gender pay gap for the early education workforce, increasing wages for over 140,000 low paid female teachers and educators (Social Research Centre, 2022).</p>

Recommendation	Indicator	Rationale
Universal access to early education & care (cont.)	<i>Productivity</i>	<p>30 hours of free education and care would deliver an additional annual \$4.9 billion in tax revenue and savings and \$13.2 billion in GDP from 2030 (Centre for Policy Development, 2019).</p> <p>Universal early education offers lifelong benefits including improved academic achievement, reduced delinquency, increased school completion, higher earnings in adulthood, and improved social and emotional well-being (Howells et al, 2022).</p>
	<i>Literacy and numeracy skills at school</i>	<p>Recent NAPLAN results show that we are not setting children up for success when they start school.</p> <p>A third of Australian students are not meeting new proficiency standards in reading, writing and maths (ACARA, 2023). Children's developmental needs are not being identified early enough so they can receive the support they need.</p> <p>Quality early education and care helps children to start school, ready to learn.</p>
An ECEC workforce ready for the future	<i>Secure jobs</i>	<p>Low pay, staff shortages and uneven access to training mean teachers and educators are becoming burnt out, driving higher workforce turnover.</p> <p>The average tenure of paid contact educators is only 3.6 years (Social Research Centre, 2022). Twenty three per cent of long day care educators have been in their current workplace for less than a year (ibid.).</p> <p>Our recommendations will help early childhood education and care to be seen as a career of choice, with professional wages and attractive career paths. This will ensure services can attract and retain quality qualified staff, meaning services can grow sustainably to meet the needs of families, with less reliance on casual employment.</p>

Recommendation	Indicator	Rationale
<p>An ECEC workforce ready for the future (cont.)</p>	<p><i>Skills development</i></p> <p><i>Education attainment</i></p>	<p>Children's access to consistent experienced staff is the primary driver of quality for early education and care services.</p> <p>The Children's Services and Educational Services (Teachers) Awards do not reflect current best practices for workplace conditions and practices which underpin quality.</p> <p>Our workforce and professional development recommendations will drive improvements in skills and education attainment by supporting:</p> <ul style="list-style-type: none"> • paid time for professional development and planning • manageable workloads with less stress and burnout • less recruitment and training costs • reduced use of casual staff • effective rostering across all service types and locations.
	<p><i>Wages</i></p>	<p>Median hourly earnings for educators are just \$28/hour compared to \$41/hour for all jobs (ABS, 2021).</p> <p>We can't keep and attract qualified educators by paying minimum wages and conditions. This is further entrenching the gender pay gap for over 140,000 women who are paid much lower than male dominated professions with similar skill and qualification requirements.</p> <p>Our recommendations can unlock the potential of early education and care for children, families and our broader economy by ensuring educators are paid a professional wage.</p>
<p>Inclusive early education for all children</p> <p>Quality early education for all children</p> <p>Quality services where they are needed</p>	<p><i>Childhood development</i></p>	<p>Childhood development declined in 2021, for the first time since 2009 (Treasury, 2023). This decline was more pronounced for groups already experiencing disadvantage, who have the most to gain from quality early education.</p> <p>Universal early childhood education produces a minimum 1:2 return on investment in Australia, with \$4.75 billion worth of benefits to children, their communities, government and business (The Front Project, 2019).</p> <p>Our recommendations for inclusive early education will help set up all children for success at school and in life.</p>

Cohesive Theme

Recommendation	Indicator	Rationale
Inclusive early education for all children	<i>Sense of belonging</i>	<p>Our recommended investments in inclusion will ensure all children have the right support that creates a sense of belonging and helps them to maximise their potential.</p> <p>These recommendations will help improve the proportion of children who can benefit from quality early education.</p>
A sector ready for the future	<i>Trust in institutions (government)</i>	<p>Our recommendations will help governments to maximise their investment in early education by ensuring major reforms work as intended for children, families and educators.</p> <p>This will build trust in government because people's lived experience will reflect government commitments for:</p> <ul style="list-style-type: none"> • reducing the cost of child care • improving access to work for parents and carers • raising wages in low paid sectors, particularly for women.

Strategic Alignment

Our submission supports the goals and recommendations of the:

- ACCC Childcare Inquiry
- Draft National Vision for Early Childhood Education and Care
- Early Years Learning Framework 2.0 and My Time Our Place 2.0
- Productivity Commission's Early Childhood Education & Care Inquiry
- Inclusion Support Program Review
- IPART Review into early childhood education and care affordability, accessibility and consumer choice
- Review of Child Safety Arrangements under the National Quality Framework
- SA Royal Commission into Early Childhood Education and Care
- Women's Economy Equality Taskforce.

Recommendation 1: Universal access to early education & care

Current Issues

Children's access to quality education and care is currently determined by where they live and their family's capacity to pay.

All children deserve consistent access to highly qualified educators and teachers at all stages of their development, no matter where they live.

Parents and carers need access to affordable education and care so they can make choices about returning to work.

98,900 extra parents could go back to work under universal high quality early learning system	30 hours of free education and care would deliver an additional annual \$4.9 billion in tax revenue and savings and \$13.2 billion in GDP	Governments spend \$15.2 billion each year in late interventions in the education, child protection, health, social welfare & justice systems
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References: ROGS, 2021; Centre for Policy Development, 2019; The Front Project, 2019.

The evidence is clear: access to quality early education sets children and families up for success.

Recommendations

- Fund 30 hours of free or low cost early education and care for all children per week, from birth to age five, paid directly to service providers across all service types.
- Fund up to 50 hours of free or low cost early education and care per week for:
 - Aboriginal and Torres Strait Islander children
 - vulnerable children or those considered to be at risk of harm, abuse or neglect, and
 - children with disabilities or additional needs.
- Fund 9 hours of free Out of School Hours Care during school terms and 30 hours of Vacation Care for:
 - Aboriginal and Torres Strait Islander children
 - vulnerable children or those considered to be at risk of harm, abuse or neglect, and
 - children with disabilities or additional needs.
- Develop an integrated funding approach to early childhood education and care with state and territory governments through the Education Ministerial Council.
 - Establish clear objectives for government funded early education, namely that all governments are committed to early childhood services as enabling both inclusive early learning for children and workforce participation for parents.
 - The proposed independent Early Childhood Education & Care Commission would play a key role in supporting governments' progress towards universal access (Productivity Commission, 2023).
- Abolish the activity test for receipt of the Child Care Subsidy.

Benefits

- A universal affordable quality early education system puts children first.
- Universal access is the basis for an effective and equitable education and care system.
 - Families will be able to access the hours of education and care that suit them, from the type of service that best meets their needs.
 - These recommendations can help achieve the Draft National Vision for Education and Care within a meaningful timeframe.
- Universal access delivers clear macroeconomic and fiscal benefits through increased:
 - female labour force participation
 - incidence of female full-time work
 - direct and indirect employment in the early education and care sector (The Australia Institute, 2022).
- Universal early childhood education produces a minimum 1:2 return on investment in Australia, with \$4.75 billion worth of benefits to children, their communities, government and business (The Front Project, 2019).
- Abolishing the Activity Test could increase female workforce participation by up to 39,620 and deliver economic benefits of \$4.5 billion per year (Impact Economics & Policy, 2023).
- An appropriately funded supply side model removes the barriers of cost, choice and accessibility for families, particularly for those on low incomes.
 - It helps governments to better connect funding to policy objectives (e.g. quality, workforce participation and inclusion), compared to demand side funding delivered via families.
 - It also provides a greater capacity for accountability to ensure government funding is used appropriately.
- Investing in universal access can deliver significant economic and social benefits to families, government and Australia's economy.

Combined Macroeconomic & Fiscal Benefits of Nordic-Style Universal ECEC		
Benefits	Impact on GDP (\$bil)	Impact on Government Revenue (\$bil)
Increased female labour force participation	\$64.0	\$18.4
Increased incidence of female full-time work	\$68.2	\$19.6
Direct and indirect jobs in ECEC provision	\$35.6	\$10.2
TOTAL	\$167.8	\$48.2

Source: The Australia Institute, *The Economic Benefits of High-Quality Universal Early Child Education*, March 2022.

Recommendation 2: An early education workforce ready for the future

Current Issues

Families are not experiencing the full benefits of Cheaper Child Care reforms due to critical workforce shortages. Ministerial statements on the benefits of these reforms are falling flat because they don't reflect families' lived experiences.

16,300 children and families are missing out on quality early education and care each week because services cannot attract and retain qualified staff (Australian Childcare Alliance, 2023). Understandably, educators are leaving the sector due to burnout, stress and low wages.

92% of the ECEC workforce are women

We need **30,000 educators & 7,000 teachers** to meet current demand

Median hourly earnings for educators are just **\$28/hour** compared to \$41/hour for all jobs.

References: Social Research Centre, 2022; DESE, 2019; ABS, 2021.

It's clear that we cannot attract and retain a qualified workforce by paying minimum wage.

Case Study – Workforce Shortages

Staff shortages are the worst I have seen in my 20 years in the industry. It is incredibly challenging to find suitable well trained educators.

Our community service has advertised educator positions for months with no interest. Any educators who have applied for positions have required pay that is well above the award wage. As a small community led service, our budget can't cover this.

We've had to close rooms at our service just so we could remain open and in ratio, which is so stressful for families and our staff. We now rely on agency educators and teachers most weeks so we can remain open.

Our current educators are so burnt out but without new permanent staff, nothing will change. Our families aren't happy about the number of temporary staff that we need – they notice the difference when their children can't form consistent relationships with their educators.

We chose to be part of multi-employer bargaining because we are at crisis point and need change now.

Centre Director, South Australian metropolitan community early education service

Case Study – Low Wages

Early childhood educators and teachers have propped up the sector for too long with our dedication to children at the expense of equitable wages, work conditions and our own mental and physical wellbeing. We deserve better, and the children and families we work with do too.

Our staff can't afford to keep working in early education when they can earn so much more in other sectors. People can earn more working as a gardener, a cleaner or at the supermarket without the need to earn qualifications.

One educator who worked with us for over 10 years left to work in primary education due to better wages and conditions. Two staff left to work in the NDIS because the wages were three times greater than what we could pay.

Other staff left to work in hospitality and administration roles for similar pay because those roles were much less demanding than supporting the needs of children and families who have experiencing long term trauma and stress from bushfires and COVID-19 as well as the current financial and housing crisis.

We have increased wages to 3 per cent above award conditions and established an Independent Work Agreement for our Teachers, but this has meant we had to increase our fees for families.

Centre Director and Teacher, NSW regional community early education service

Case Study – Recruitment & Retention Challenges

When recruiting educators, we've had to lower our expectations as the candidates don't have the skills and experience we'd expect. As a result, we've had to significantly extend our induction process from a few days to six months, taking on a more educational role to help new educators to build the full set of skills they need.

There is also no pipeline of experienced educators with the skills to take on leadership roles. They don't know how to manage a team, delegate tasks, build educator agency, or provide basic well-being support. This has led to staff leaving services and at times the sector, as educators don't feel supported or connected to their workplace under poor leadership.

Centre Director and Teacher, Victorian metropolitan community early education service

Recommendations

- Fund an initial 25 per cent pay increase including oncosts to fix the professional wages gap between early educators and teachers, and other government funded sectors including schools.
- Introduce direct subsidy rates for services that pay the improved minimum pay and conditions.
- Support the implementation of the multi-employer agreement through:
 - initial funding using a grant model based on the actual employees employed in eligible services (parties to the 'model' agreement or a registered agreement that meets or exceeds minimum funded wages and conditions)
 - participation in any further supported bargaining applications, including in the role as majority funder, made by other parts of the education and cares sector including OSHC
 - ongoing funding integrated into future sector funding as recommended by the Productivity Commission.
- Fund a universal requirement for at least 16 hours of professional development, supporting services to provide access to all early childhood educators and teachers that is directly linked to the National Quality Standard and Quality Improvement Plans.
- Establish national Education and Care Leaders Peer Networks to build leadership quality and capacity across the sector, drawing on lessons from NSW's trial program.

Benefits

- These recommendations can **lower the cost of living in the short term without raising inflation** by:
 - boosting the wages of over 140,000 low paid women
 - maximising the value of the Cheaper Child Care reforms by slowing the growth of early education fees for families
 - opening up more places, allowing families to make choices about working more hours or return to the workforce.
 - ▶ Stabilising workforce turnover will reduce one of the main drivers of fee growth for families.
 - ▶ Raising wages for low paid employees does not push up inflation (The Australia Institute, 2023).
- The Australian Government can unlock the potential of early education and care for children, families and our broader economy by ensuring educators are paid a professional wage.
 - This is the quickest and most effective way to ensure that every child can access high quality education and care, without increasing costs to families.

- Families can enjoy the full benefits of the Federal Government's Cheaper Child Care reforms if the early education sector is operating at its full potential.
 - Services will grow to meet the needs of their communities if they can attract and retain quality staff.
 - Staffing is the primary driver of quality for early education and care services.
 - Tens of thousands of qualified educators will come back to work in the sector now, if they are paid professional wages and conditions.
- If we pay educators what they are worth, we can open up supply and access for families now.
 - Families can make choices about returning to the workforce or working more hours if they have access to early education services near where they live, when they need it.
 - Services can retain quality teachers and educators if they can offer professional wages and conditions.
 - If we can retain quality educators and teachers, children will be able to build more consistent connections and gain the full benefits of early education.
- Professional wages and access to professional development will mean education and care is seen as a career of choice, both within the sector and by the broader community.
 - Direct funding based on an industrial instrument ensures higher wages flow directly to educators and teachers.
 - Services can operate on a level playing field with other government funded sectors such as education, aged care and disability sectors.
 - Services' ability to attract and retain quality staff will reduce the growing recruitment, training and agency costs driven by the current workforce crisis.

<p>12,000 long day care teachers & educators will be covered by the new multi-employer agreement</p>	<p>Sixty four employers are participating in negotiations to establish a new multi-employer agreement</p>	<p>State funded multi-employer agreements for kindergartens offer wages & conditions on par with primary school teachers without increasing costs to families</p>
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- A multi-employer agreement provides for long term sustainable improvement to the workforce structure that allows educators to deliver quality services by supporting:
 - paid time for professional development and planning
 - manageable workloads with less stress and burnout
 - less recruitment and training costs
 - reduced use of casual staff
 - effective rostering across all service types and locations.
- Universal minimum standards for professional development covered by the multi-employer agreement will significantly improve service quality by:
 - ensuring educators and teachers can respond to the individual needs of children and families, based on current quality standards
 - raising the professional status of the early education workforce
 - increasing educators' and teachers' confidence
 - ensuring manageable workloads across services while staff complete professional development.

Recommendation 3: Inclusive early education for all children

Current Issues

Every child, no matter their ability or background, deserves to feel a sense of belonging and have the opportunity to maximise their potential in early childhood. However, the current education and care system does not set children and families up for lifelong success.

The COVID-19 pandemic, child care deserts, workforce shortages and spiralling costs have revealed a sector that is not equipped to support the needs of all children and families.

1 in 5 children are starting school developmentally vulnerable	9 million Australians live in an area classed as a 'childcare desert' where there are more than 3 children for every childcare place	High quality programs for disadvantaged children (0 – 5 years) can deliver a ROI of 13% per year
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References: Australian Government, 2021; Mitchell Institute, 2022; García, J., 2016.

The education and care sector is hamstrung by conflicting policy objectives. This means children, families and our broader economy are not reaping the full benefits from government investment.

Early childhood education and care must be the foundation of Australia's education system, supporting the wellbeing and development of children as well as families' choice to participate in work.

Recommendations

- Establish children's right to high quality education and care as the primary objective for early education and care, from birth to 12 years of age.
 - Recognise the valuable contribution of OSHC to meeting children's health, recreation and social needs as part of a holistic education program in partnership with schools.
 - This approach directly supports the Draft National Vision for Early Childhood Education and Care.
- Increase funding for additional educators to meet predicted needs (\$150m from 2024-25).
- Expand supply side support options for Aboriginal Community Controlled Organisations including:
 - access to capital grants for new services
 - support for workforce supply and retention
 - long term funding certainty to deliver expanded holistic child and family services.
- Increase Inclusion Support Program funding to meet predicted need across all states and territories including support:
 - to deliver high quality inclusion support through Inclusion agencies
 - to meet unmet demand, particular in regional and remote areas
 - based on the number of services in each jurisdiction
 - to integrate Inclusion Support Program services with allied health and other experts to optimise children's early learning and development.
- Fund a ratio of 30 services to 1 FTE Inclusion Professional for all Inclusion Agencies.

Example: Victorian Inclusion Agency Funding	
2023-24 funding	\$8.32m
Total additional funding required to meet unmet demand for 2024-25 & 2025-26 & cover 2023-24 funding shortfall	\$9.46m
Current ratio (2023-24)	3,450 services to 55 IPS 62.7 services per 1 FTE IP
Additional Inclusion Professionals required to meet 30:1 ratio goal	60

Benefits

- Governments can maximise their investment for families, workforce participation, social equity and our broader economy by putting the needs of children at the heart of the early education and care system.
 - This means investing in an education and care system that is genuinely inclusive to all children and families.
- Investing in inclusion ensures every child feels a sense of belonging and has the opportunity to maximise their potential.
 - Our recommendations will ensure that children with additional needs can enjoy the full benefits of mainstream education and care.
- A well designed and supported Inclusion Support Program will help to attract and retain quality educators, ensuring they are equipped to support all children in their care.

Recommendation 4: Quality early education for all children

Current Issues

Universal access to early childhood education and care must deliver high quality services for all children, no matter where they live.

Almost 1,700 services did not meet the National Quality Standards in 2023. This means families currently have a one in ten chance of choosing a service that does not meet minimum standards.

Families must be able to choose quality education and care for their children. Right now, children's access to high quality educators and teachers is based on a family's capacity to pay higher fees.

We need an early education system that:

- promotes quality across all services, and
- drives improvements in services that do not meet minimum standards.

Recommendations

- Fund state governments to deliver assessment and rating programs that meet National Quality Standard objectives, including assessing all services at least every three years.
- Continue to fund ACECQA appropriately to deliver a nationally consistent quality system for education and care services.
- Review current enforcement options for non-improving/non-compliant services to identify their effectiveness in protecting children's safety and ensuring minimum service standards.
- Extend the proposed National Early Childhood Teacher Registration Scheme to include educators for early learning and outside of school hours care.

Benefits

- Children and families can enjoy the full benefits of education and care if they have access to quality services.
- Parents will access education and care when they are confident of the quality and benefits to their children.
- Investing in quality services mean governments can realise the full benefits of their investment in early education and care, including:
 - improved health and developmental outcomes for children
 - reduced social inequity
 - increased workforce participation and economic equality for parents and carers.
- The community sector fully utilises government funding for the maximum benefit of children, families, government and the education and care workforce.

Recommendation 5: Quality services where they are needed

Current Issues

Many vulnerable children and families currently cannot access education and care services.

Services must currently prioritise children of families who work, which means the most disadvantaged children miss out.

Early education providers often struggle to maintain sufficient enrolments in rural and remote areas, particularly in communities where the population may vary significantly throughout the year (e.g. due to variations in production, particularly in mining or agriculture).

Recommendations

- Adopt a clear policy objective to grow the small and community education and care sector in the Draft National Vision for Early Childhood Education and Care.
- Commit to a target for the growth of the small and community early education and care sector by 2030.
- Provide capital funding to support new community led services including a mix of service types and management types, in areas of community demand.
 - Support the development of governance models to reduce burden on volunteer committees, streamline management responsibilities and improve efficiency.
- Adopt a system stewardship role, supported by the early education and care sector, to ensure the system delivers:
 - an adequate supply of places where they are needed
 - a sustainable and adequate workforce
 - the appropriate mix of services based on provider type and the age mix of children and community need
 - minimum quality and inclusion standards and positive quality improvement trajectories
 - services that are affordable for families.
- Use regulatory, financing, market monitoring and planning levers to achieve government stewardship objectives.
- Provide ongoing long term funding that supports specific community needs, ongoing viable quality service delivery and community ownership.
 - Funding should be able to be reviewed if circumstances change.
 - This funding could be delivered through a modified Community Child Care Fund.

Benefits

- The community early education and care sector consistently delivers high quality services for lower fees, particularly in areas of greatest need.
- There is significant potential for growth in small and community-led services.
 - These services can fulfill significant unmet demand for families, allowing them to make choices about returning to the workforce or working more hours.
 - Community services are the most efficient use of government funding to deliver quality services for children.
- Expanded small and community services can boost the economic resilience of rural and regional communities by:
 - creating new professionally paid jobs
 - allowing parents to return to work or increase their hours
 - attracting the workforce needed to grow their community.

Case Study – Eyre Peninsula

The Eyre Peninsula is set for tremendous growth, with a projected \$28 billion project pipeline over the next decade. Its capacity to grow is limited by its ability to attract a local workforce.

The Peninsula is made up of two large regional cities and smaller communities. It takes over five hours to drive from one end to the other, so services need to be dispersed across the region.

Over one thousand children miss out on early childhood education and care each year. Forty per cent of children in some areas start school behind.

Ten long day care centres are needed to meet current demand. This would cost around \$55 million and create new 598 long day care places.

The Community Child Care Fund has not been accessible to much of the Eyre Peninsula. The notional amounts provided in the Fund are insufficient to grow infrastructure in regional and remote areas.

A Federal Government investment in new early education services would:

- *support around 1,000 parents to work full time or increase their working hours each year*
- *deliver a return on investment of \$44.1 million each year in additional income through greater workforce participation of families*
- *provide up to an additional \$11.1 million in additional income from new jobs created in the early childhood sector*
- *save \$6.5 million per year through better child development outcomes.*

The return on investment is clear: the Federal Government's investment would pay for itself within a year.

Source: CELA/Regional Development Australia Eyre Peninsula.

Recommendation 6: A sector ready for the future

Current Issues

We have a 'once in a generation' opportunity to create a system that works for children, families, educators and our broader society.

CCC and CELA have worked hard to raise the voices of small and community providers in major reform processes.

We knew this was vital to deliver meaningful reform for small and community services and the families they support.

This advocacy was supported by:

- detailed ongoing consultation with member services to guide recommendations to government
- tailored communication campaigns, ensuring member services would be ready for the implementation of major sector reforms
- sector-wide outreach with other employer peak bodies, unions and parent organisations to ensure a coordinated approach to reform.

- In 2023:
 - ▶ CELA attended 119 federal and state advisory group meetings and inquiry consultations, and invested over 3,000 hours advocating on behalf of small and community service providers
 - ▶ CCC met with state and federal ministers 16 times and raised sector recommendations to government on 39 occasions
 - ▶ CCC and CELA provided 10 formal submissions to eight state and federal major inquiries.
- Since the commencement of multi-employer bargaining negotiations in October 2023, CCC and CELA have:
 - ▶ attended over 40 hours of party conferences
 - ▶ held 22 hours of member service briefings
 - ▶ established a dedicated communication campaign for member services on the progress of negotiations
 - ▶ invested in technical expertise to support our role in Fair Work Commission negotiations
 - ▶ engaged across the sector to support successful negotiations.

This intensive effort has required significant multi-year investments from our organisations.

Our advocacy has significantly improved the results of major government inquiries, ensuring they heard from small and community providers who deliver the majority of early education services. However, this level of effort is not sustainable for peak bodies supported by not-for-profit members.

80%

of services are run by small & community providers

Small providers deliver services for the **lowest fees**, especially in **areas of greatest need**

Large providers charge **11 per cent more per day** than small providers

References: ACECQA, 2022; ACCC, 2023.

We need to match ambition with action

The next five to ten years will be crucial to ensuring major early education reforms work as intended.

There are around 4,600 providers in long day care. Most are small providers who will need assistance to sign up to the multi-employer agreement.

Governments will need support from small and community employer peak bodies to ensure:

- services are ready to adopt major policy and regulatory changes
- teachers and educators understand how they will be affected by these reforms
- children and families receive the full benefits of improvements to the accessibility, affordability and quality of services.

Recommendation

- Provide targeted multi-year funding to assist small and community employer peak bodies to:
 - support the implementation of major early education and care reforms
 - build capacity for adopting reforms with their member services and educators
 - support communication and consultation activities with providers, educators and families
 - provide expert, evidence-based and impartial advice to government, including on the progress of reform implementation.
- Consider the Health Peak & Advisory Bodies Program as an effective model that can be adapted for the early education and care sector by providing competitive grants to selected small and community peak bodies.
- Provide one-off project funding to employer bargaining representatives so they can support small and community providers to comply with conditions resulting from the multi-employer agreement.

Benefits

- Children and families can enjoy the benefits of major early education reforms sooner if small and community services are ready for change.
 - Small and community employer peak bodies have the networks, expertise and track record to support this.
 - This approach will ensure families see improvements in access, affordability and quality of services sooner.
- The benefits of government investment in professional wages is dependent on services' capacity to join a multi-employer agreement, particularly small and community providers.
 - Trusted peak bodies such as CCC and CELA, with a track record in supporting major reform implementation, can support services to benefit from a multi-employer agreement.
 - This will ensure that the Australian Government can solve workforce shortages and unlock the potential of the early education sector sooner for families.
- The Health Peak & Advisory Bodies Program offers a proven model that can:
 - support the delivery of the National Vision for Early Education and Care
 - provide a streamlined process for consulting and sharing information with small and community services, their educators and the families they support via peak bodies
 - ensure sector knowledge and expertise is readily available to government to improve policy development and implementation
 - build the capacity of small and community services to drive improvements in priority reforms and ensure maximum benefit for government investment.

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