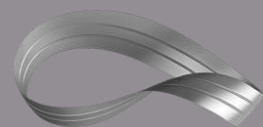

PRODUCTIVITY
COMMISSION
INQUIRY INTO EARLY
CHILDHOOD
EDUCATION AND
CARE

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INDEPENDENT
SCHOOLS
AUSTRALIA

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1. KEY POINTS

Early childhood education and care provides essential developmental, social and educational benefits for young children, forges strong community links and improves outcomes for children.

The early childhood sector is diverse and complex and although governments are making significant investment, the sector still faces many challenges. Key challenges affecting the sector include equitable access, affordability, inclusion support, funding, workforce shortages and improving developmental outcomes for Aboriginal and Torres Strait Islander children and children from vulnerable and disadvantaged families.

Independent Schools Australia supports the following policy priorities to create healthy foundations for all Australian children:

- Providing equitable opportunities for all children to access affordable, quality early childhood education and care.
- Inclusion funding and support available for all children with disability and those that require adjustments to access an early childhood education and care program.
- Greater holistic approaches between education and allied health services, with funding tied to key priority areas.
- A new funding model for the establishment of early childhood education and care services in rural and remote areas and areas with high population growth.
- Raising the profile of early childhood education and care in the broader education community to attract and retain staff.
- Increasing the early childhood workforce through initial teacher education incentives, affordable access to further qualifications and competitive remuneration. Investment could include national incentive strategies for early childhood educators to work in regional and remote areas and those areas with increased population growth.
- Addressing issues impacting Aboriginal and Torres Strait Islander communities and family disadvantage with strong collaboration between allied health services and early childhood education and care providers and increased services.
- Building greater cultural safety for Aboriginal and Torres Strait Islander families, children and staff through professional development opportunities for early childhood educators and increased opportunities for Aboriginal and Torres Strait Islander people to enter the early childhood education and care workforce.
- Implementation of strategies and supports to improve developmental outcomes and attendance rates for Aboriginal and Torres Strait Islander children and children from vulnerable and disadvantaged families.

2. ABOUT ISA

Independent Schools Australia (ISA) is the national peak body representing the Independent school sector. It comprises the eight state and territory Associations of Independent Schools (AISs). Through these Associations, ISA represents more than 1,200 schools and close to 690,000 students, accounting for 17 per cent of Australian school enrolments.

ISA's major role is to bring the unique needs and contributions of Independent schools to the attention of the Australian Government and to represent the sector on national issues.

Independent schools are a diverse group of non-government schools serving a range of different communities. Many Independent schools provide a religious or values-based education. Others promote a specific educational philosophy or interpretation of mainstream education. A number of Independent schools have been established by community groups seeking to meet particular needs or to reflect the religious values of a community. Independent Catholic schools are a significant part of the sector, accounting for eight per cent of the Independent school sector's enrolments.

Independent schools include:

- schools affiliated with Christian denominations for example, Anglican, Catholic, Greek Orthodox, Lutheran, Uniting Church, Quaker and Seventh Day Adventist schools
- non-denominational Christian schools
- Islamic schools
- Jewish schools
- Montessori schools
- Rudolf Steiner schools
- schools constituted under specific Acts of Parliament, such as grammar schools in some states
- community schools
- Aboriginal and Torres Strait Islander community schools
- schools that specialise in meeting the needs of students with disability
- schools that cater for students at severe educational risk due to a range of social/emotional/behavioural and other factors.

Most Independent schools are set up and governed independently on an individual school basis. However, some Independent schools with common aims and educational philosophies are governed and administered as systems, for example Lutheran schools. Systemic schools account for 20 per cent of schools in the Independent school sector. Four out of five schools in the sector are autonomous non-systemic schools.

3. INTRODUCTION

ISA prepared this submission in response to the Productivity Commission Inquiry into Early Childhood Education and Care. ISA consulted with the state and territory Associations of Independent Schools (AISs) in preparing this submission.

Early childhood education and care for children from birth to five years can take many forms and although there are several large-scale data sets available on the early childhood sector, the complexity of the sector means this data is often misunderstood or misinterpreted and there remains a limited overview of the early childhood education and care system.

Based on data provided by the AISs in 2022, ISA estimates that two thirds of Independent schools provide early childhood services, which overall equates to approximately 790 schools.

The majority of Independent school providers operate early learning services for 3- to 5-year-olds. Some Independent schools operate both Long Day Care (LDC) and sessional kindergarten/preschool, or may have Outside School Hours Care (OSHC) available for both preschool and school aged children.

Australian Bureau of Statistics data shows that in 2022, there were 8,251 children aged 4- and 5-years enrolled at Independent sector preschools. This represented approximately seven per cent of the total number of preschool enrolments across all sectors and almost eleven per cent of the total number of preschool enrolments in the non-government sector.

4. AFFORDABILITY AND ACCESS TO EARLY CHILDHOOD EDUCATION AND CARE

Access to high quality, affordable early childhood education and care is essential if Australia is to provide all young children with equitable opportunities in the early years.

ISA supports the significant investments that governments are making to improve the wellbeing, education and development of young children and agree that these investments must be targeted, complementary and cohesive to provide the most benefit.

Independent schools with early childhood education and care services are well placed to support the needs of families and young children with the provision of adequate funding and access to a workforce of professional, quality early childhood educators.

4.1 Affordability

Fees for early childhood services vary widely across Australia, which means that some families cannot access affordable, quality early childhood education and care in their local area.

The Australian Government is the main source of funding for childcare services, primarily through fee subsidies. Long Day Care, vacation care and OSHC providers all receive the Australian Government Child Care Subsidy (CCS) to enable eligible families access to affordable childcare.

And while state and territory governments are primarily responsible for funding preschool and other early childhood services, the Australian Government provides a funding contribution to the provision of early childhood services through the national partnership Preschool Reform Agreement (PRA).

Compared to other OECD countries, Australia has the second highest proportion of funding from private sources for pre-primary education. However, 25 percentage points of private expenditure is subsidised by the Australian Government via subsidies to families, including the CCS.¹ However, not all families are eligible for fee subsidies, and many are required to make gap payments for childcare and/or preschool.

¹ OECD, "Starting Strong IV: Early Childhood Education and Care Data Country Note, Australia," 2016, <https://www.oecd.org/education/school/ECECDN-Australia.pdf>. p.5

The Productivity Commission's *Report on Government Services* notes in relation to early childhood education and care services that:

- fees are set independently by early childhood education and care service providers and there is significant variation in fees across services
- costs are influenced by several factors including National Quality Framework (NQF) approval requirements, award wages, and whether fees include charges for additional services such as nappies and meals, as well as localised issues such as, land values and rental costs, rates, and other localised costs of living
- for preschool program costs, there are a mix of providers (community, private and government). Differences in charging practices can be due to commercial or cost recovery decisions made by individual services. Some preschool programs, particularly those offered at government preschool services, have no tuition fees.²

4.2 Access to quality services

The Independent school sector supports strategies that will provide greater equitable access to affordable early childhood education and care services for all children, especially those in regional and remote communities and areas of high population growth to improve outcomes for young children and their families.

4.2.1 Access for regional and remote children

In 2022, there were 6,352 children aged 4- and 5-years enrolled in remote service preschool programs, and 86,475 children aged 4- and 5-years enrolled in regional preschool programs.³

Recognising the intricate links between social determinants, including education, is an important part of supporting children in regional and remote areas and particularly for Aboriginal and Torres Strait Islander children.

Current challenges for the provision of early childhood education and care services in regional, rural and remote communities include affordability, variable quality of services, difficulties with access such as long distances to services, lack of availability of services and ability to attract qualified staff.

The current CCS funding model does little to encourage the establishment of new early childhood education and care services in remote and regional areas. A new funding model for the establishment of early childhood education and care services in rural and remote areas and areas with high population growth is needed.

5. DEVELOPMENTAL AND EDUCATIONAL OUTCOMES FOR CHILDREN

Every child in Australia is entitled to have the opportunity to participate in safe, inclusive, developmentally appropriate, rich learning experiences. The quality of early childhood education and care educators and services is critical in determining their effectiveness in meeting the developmental needs of children and promoting positive outcomes.

The National Quality Standard (NQS) sets the national benchmark for early childhood services for children aged birth to 5 years, defining seven quality areas; education program, health and safety,

² Productivity Commission, "Report on Government Services," January 20, 2021, <https://www.pc.gov.au/research/ongoing/report-on-government-services>. p.23

³ Australian Bureau of Statistics, "Preschool Education, 2022," 2023, <https://www.abs.gov.au/statistics/people/education/preschool-education/latest-release>.

physical environment, staffing, relationships with children, partnerships with families and communities and governance and leadership.

The Independent early childhood sector maintains high standards with more than 85 per cent of Independent school providers either meeting or exceeding the national standards.

5.1 Developmental Outcomes

Early childhood education is not compulsory in Australia but provides the opportunity for positive experiences which benefit a child's physical, emotional, social and cognitive development. Children who attend early childhood education and care develop skills in self-care, attention and concentration, language, play and social-emotional skills. These are important abilities for transition to school as they teach independence, self-reliance and regulation.

Early childhood education and care settings connect families to a range of health services and resources and provide opportunity for early intervention where specific developmental support and needs have been identified. However, with a lack of services in some areas, long waiting-lists or high fees, equitable access is not guaranteed.

The Early Years Learning Framework (EYLF) highlights important foundations for young children to develop in healthy ways and become life-long learners. The framework has a specific emphasis on play-based learning and recognises the importance of communication and social and emotional development.

Independent schools strongly support this learning framework underpinned by the principles of *belonging, being and becoming*. The framework highlights the importance of young children being connected to family, community, culture and place and the essential nature of positive relationships to promote healthy development.

As children participate in everyday life, they develop interests and construct their own identities and understandings of the world. There is a clear need for skilled early childhood educators that are qualified in teaching young children during these important formative years.

5.2 Educational outcomes

The Independent school sector strongly supports the aims of the EYLF as it is play-based and provides broad direction for early childhood educators to facilitate children's learning from birth to 5 years of age, enhancing and extending each child's learning and development.

The EYLF recognises the importance of strong partnerships with families and the holistic development of important foundation skills such as communication and language (including early literacy and numeracy), social, emotional and physical development. The framework highlights the need for flexible, learning spaces to enable a strong focus on play so that young children can organise and make sense of their social contexts as they engage actively with people, objects and their environment.

5.3 School preparation

Participation in high quality early childhood education and care builds strong foundations for learning and has a positive influence on the development of independence, life skills, a sense of belonging and school readiness. Children who attend preschool are less likely to be developmentally vulnerable and enjoy better educational outcomes at school.⁴

The relationship between parent/carer and teacher is an important element in preparing children for school and supporting their successful transition.

⁴ Department of Education, Skills and Employment Skills and Employment, "Universal Access National Partnership," Department of Education, Skills and Employment, 2021, <https://www.dese.gov.au/preschool/universal-access-national-partnership>.

In the Independent sector, it has been noted that there is an advantage when an Independent sector preschool is situated within the school setting. The transition to formal schooling can be made easier for children, as there are many opportunities for strong partnerships and collaboration between the early childhood educators, families and the school. School readiness for each individual student can be measured and valuable information shared between early childhood and primary teachers to support each child.

6. CHILDREN FROM VULNERABLE AND DISADVANTAGED BACKGROUNDS

In 2022, there were 334,440 children aged 4- and 5-years-old enrolled in preschool programs. However, enrolment rates do not always translate to attendance. In 2022, only 83 per cent of all preschool enrolments attended a program and used the full 600 hours per year. Attendance rates for 600 hours or more of preschool education were lower for Aboriginal and Torres Strait Islander children (73 per cent) and disadvantaged children (79 per cent).⁵ Attendance data for equity groups in the early childhood sector in Independent schools is not available.

In 2021, around 1 in 5 children were developmentally vulnerable in one or more developmental domains. This figure rises for Aboriginal and Torres Strait Islander children for whom 6 in 10 are developmentally vulnerable.⁶

Improving outcomes for children from vulnerable and disadvantaged backgrounds is a key focus under the Preschool Reform Agreement (PRA). All states and territories have specific Implementation Plan strategies to improve access for all children and increase participation in affordable, quality preschool programs.

6.1 Aboriginal and Torres Strait Islander children

The National Agreement on Closing the Gap target to increase the proportion of Aboriginal and Torres Strait Islander children enrolled in preschool education to 95 per cent by 2025 is on track.⁷ In 2021, the proportion of Aboriginal and Torres Strait Islander children enrolled in a preschool program was 96.7 per cent, an increase from 76.7 per cent in 2016 (the baseline year).⁸ Data on the number of Aboriginal and Torres Strait Islander children enrolled in Independent sector preschools is unknown.

The Australian Early Development Census (AEDC) is a national measurement to monitor Australian children's development. It provides evidence to support policy, planning and action for health, education and community support. AEDC data shows that the percentage of Aboriginal and Torres Strait Islander children developmentally on track in all five domains decreased between 2018 and 2021.⁹

Solutions to improve development across all five domains may lie in addressing community and family disadvantage; building greater cultural safety for children and staff in preschool communities; fostering positive relationships with families; and improving attendance rates.

The Independent school sector welcomes strategies that further support Aboriginal and Torres Strait Islander communities, acknowledging the impact of intergenerational trauma and the importance of working in close partnership with Aboriginal and Torres Strait Islander families and staff.

⁵ Australian Bureau of Statistics, "Preschool Education, 2022."

⁶ "Australian Early Development Census," accessed October 11, 2021, <https://www.aedc.gov.au/>.

⁷ Commonwealth of Australia, "Commonwealth Closing the Gap Annual Report 2022," 2022, <https://www.niaa.gov.au/sites/default/files/publications/niaa-closing-the-gap-annual-report-2022.pdf>.

⁸ Productivity Commission, "Socioeconomic outcome area 3," June 29, 2022, <https://www.pc.gov.au/closing-the-gap-data/dashboard/socioeconomic/outcome-area3>.

⁹ Productivity Commission, "Aboriginal and Torres Strait Islander Children Thrive in Their Early Years," June 29, 2022, <https://www.pc.gov.au/closing-the-gap-data/dashboard/socioeconomic/outcome-area4>.

ISA recommends the implementation of national strategies to provide greater capacity for the early childhood education and care sector to:

- address issues impacting Aboriginal and Torres Strait Islander community and family disadvantage
- build greater cultural safety for Aboriginal and Torres Strait Islander families, children and staff
- foster positive relationships between families and services
- improve attendance rates and early childhood education and care access for Aboriginal and Torres Strait Islander children
- develop culturally sensitive approaches that aim to Close the Gap.

6.2 Children with disability

Children with disability have the right to receive the same educational opportunities as children without disability. Supporting and resourcing inclusive strategies for early childhood education and care providers is important to promote equity and address individual needs. This includes upskilling the early childhood educator workforce to work inclusively with young children with disability and to work in positive ways to support families.

Funding for children with disability varies widely in each state and territory. Even for those states where inclusion funding is available, young children may not yet have a diagnosed disability or the necessary assessments to prove eligibility.

Funding support for children with disability is available through the Commonwealth's Inclusion Support Program for LDC, outside hours school care, vacation care and family day care services but not preschool. States and territories offer inclusion funding support for children with disability in preschool however eligibility varies across sectors.

Given the variability in the availability of state and territory funding and as the current Australian Government school funding model does not cover preschool, many Independent sector preschools fund support for children with disability through other income sources.

ISA recommends that inclusion funding should be available nationally for all young children that require adjustments to access an early childhood education and care program.

7. POLICY AND FUNDING INTERACTIONS

The Australian Government's commitment to providing high-quality early childhood education and care services is welcomed. However, with policy and funding managed by both the Australian Government and state and territory governments, the interaction between stakeholders is complex.

To reduce the siloed approach in the early childhood education and care sector, greater links between governments' approaches to policy and funding would be welcomed by the Independent school sector. Further, it is ISA's view that funding should be tied to key priority areas such as:

- access to affordable, quality early childhood education and care services
- increasing the early childhood education and care workforce including incentives to work in regional and remote communities and those areas with rapid population growth
- increased funding for young children with disability
- a holistic approach to support families with early childhood education and care and allied health services.

ISA notes that national policy strategies and funding that supports greater collaboration between education and health services would improve developmental outcomes for young children.

7.1 Government funding

Early childhood services are funded through a combination of parental fees, state and territory government funding, and Australian Government funding.

The Australian Government is the main source of funding for childcare services, primarily through fee subsidies, and state and territory governments are primarily responsible for funding preschool and other early childhood services. However, as noted above, the Australian Government provides a funding contribution to the provision of early childhood services through the national partnership Preschool Reform Agreement (PRA).

The distribution of state and territory funding, including the distribution of Australian Government national partnership funding through the states and territories, varies significantly between jurisdictions.

This means that the amount of government funding per child to attend an early childhood education and care service varies, depending on the state, territory, sector and family subsidy eligibility. If preschool is to be accessible, equitable and affordable, funding support must be sector wide with every child, regardless of sector or system funded equally.

7.2 State and territory policy and funding

In June 2022, the Victorian and New South Wales Premiers announced plans to provide free preschool in the year before formal schooling. Victoria plans to start from 2025, with children able to attend a preschool program five days a week and New South Wales is aiming for five days per week preschool by 2030. With the introduction of the Victorian State Government, *Best Start, Best Life* program, the next 10 years will see an increase to the 4-year-old pre-prep program to 30 hours.

While the policy and accompanying funding announcements are welcome, both Victorian and New South Wales preschools, including Independent sector preschools, will face extra pressure in providing the infrastructure and staffing to cope with growing numbers of children attending preschool for more hours.

ISA also notes the recommendations of the South Australian Royal Commission into Early Childhood Education and Care Interim report and sees value in many of the recommendations which support policy priorities and funding for additional capacity in Independent sector preschools.

8. EARLY CHILDHOOD EDUCATION AND CARE WORKFORCE

The shortage of qualified staff across Australian early childhood education and care services is a significant issue which not only affects the ability of the sector to offer places but can reduce the quality of education and care being provided. With some states and territories planning to increase access and hours for young children to attend preschool, retention of the current workforce and plans to increase the number of early childhood educators is an urgent national priority.

It is estimated that the percentage of job turnover amongst early childhood education and care employees each year has been more than 30 per cent for over a decade.¹⁰ According to the National Skills Priority list, within the Educational Professional occupations, Early Childhood (Pre-primary) Teaching is experiencing a national shortage.¹¹

¹⁰ Paula McDonald, Karen Thorpe, and Susan Irvine, "Low Pay but Still We Stay: Retention in Early Childhood Education and Care," *Journal of Industrial Relations* 60, no. 5 (November 1, 2018): 647–68, <https://doi.org/10.1177/0022185618800351>.

¹¹ National Skills Commission, "Skills Priority List Occupation Reports: Education Professionals," 2022, <https://www.nationalskillscommission.gov.au/publications/skills-priority-list-occupations/anzsco-sub-major/education-professionals>.

ISA welcomes national strategies that will further grow, develop and professionalise the early childhood workforce to attract and retain educators.

8.1 Workforce requirements

The attraction, supply and retention of educators and early childhood teachers is a major concern for the Independent school sector. Raising the profile and status of early childhood educators is critical to increase the number entering initial teacher education.

In 2023, the Australian Government released the National Teacher Workforce Action Plan to increase the number of people entering and remaining in the teaching profession. This action plan is coordinated with the National Children's Education and Care Workforce Strategy to ensure teachers and educators across both early childhood and schooling settings are valued and supported as education professionals.

The National Children's Education and Care Workforce Strategy Implementation and Evaluation Plan aims to build a sustainable, high-quality, professionally recognised early childhood workforce, while recognising current pressures on the sector. Developed by ACECQA, in partnership with sector peak bodies and all state and territory governments, the *Shaping Our Future* national strategy will focus on six key areas over the next ten years (2022-2031):

- professional recognition
- attraction and retention
- leadership and capability
- wellbeing
- qualifications and career pathways
- data and evidence.¹²

ISA recommends a review of remuneration for early childhood educators that is commensurate with qualifications, skill levels, roles and responsibilities, so that the early childhood sector is aligned with other sectors. Any increase in wages would also require increase in funding to services to keep them affordable for families.

8.1.1 Initial teacher education

ISA supports the National Teacher Workforce Action Plan focus to strengthen Initial Teacher Education (ITE) programs to ensure that graduating teachers are better prepared for the classroom, especially in the areas of classroom management and working with students with disability.

Early childhood educators need to build respectful relationships, across a range of contexts, and engage in partnerships with families and wider communities. Skills such as effective communication, leadership, critical reflection, collaboration, ethical and professional conduct, and a willingness to engage in ongoing professional learning are essential.

ISA supports strategies that have:

- clearer guidelines for supervising teachers about their role and the expectations of practicums and offering mentoring and quality supervision to ensure that graduate early childhood teachers have a range of experiences in diverse early childhood education contexts.

¹² Australian Children's Education & Care Quality Authority, "National Workforce Strategy," accessed October 15, 2021, <https://www.acecqa.gov.au/national-workforce-strategy>.

- added and/or longer practicums where students can intensely focus on specialised areas such as providing adjustments for students with disability and behaviour support for all students, to gain experience in classroom management and individualising programs.
- support for training teachers who must travel for placements, take time off regular employment and lack of payment for placements.
- improving pathways, pretraining supports and the structure of placements.
- a focus on collaboration with parents and carers.

8.1.2 Educator incentives

Educator training incentive programs are available in many states and territories. In addition, the Australian Government offers heavily subsidised Certificate III and Diploma courses in early childhood education and care through JobTrainer.

Some states and territories offer scholarships and financial incentives to encourage upskilling, or to increase the number of Aboriginal and Torres Strait Islander educators. The Australian Government provides Commonwealth Supported Places, a subsidy provided to pay a proportion of university or higher education provider fees for eligible students.

ISA supports any government incentives that will attract more people to the early childhood educator workforce.

8.2 Capacity to meet workforce requirements

Under the new National Teacher Workforce Action Plan, the Australian Government has outlined several key initiatives to support workforce requirements, including improving teacher supply and keeping the teachers we have. The Independent school sector supports these actions and are optimistic about their potential impacts on workforce pressures.

In addition, there is a need for greater support and professional development to upskill current early childhood educators to meet the diverse needs of students and families.

AISs note ongoing concerns of workforce fatigue and the need for more affordable access to allied health services to support educators in their work with young children.

9. CONCLUSION

It is ISA's belief that the challenges facing the early childhood education and care sector such as funding complexity, workforce shortage and addressing needs of equity groups can be overcome with the right measures.

The Independent school sector would welcome a range of measures and strategies to improve access to quality early childhood education and care, attendance and participation for all children, including equity groups.

Implementation of these strategies will require further investment in strategies and targeted actions to reduce complexity in the sector and encourage collaboration with key stakeholders to improve educational and developmental outcomes for all young children.

The Preschool Reform Agreement is evidence of the Australian Government's continued commitment to investment in early childhood education and care services with plans to reduce interdependent, systemic and historic barriers.

To inform reform, the improvement of existing national data sets would allow for deeper analysis of key elements, to inform, measure and improve early childhood education and care outcomes and targets, and provide a better understanding of the needs of the sector.

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