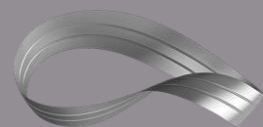

A PATH TO
UNIVERSAL EARLY
CHILDHOOD
EDUCATION AND
CARE DRAFT REPORT

THE PRODUCTIVITY COMMISSION

INDEPENDENT
SCHOOLS
AUSTRALIA
SUBMISSION

14 February 2024



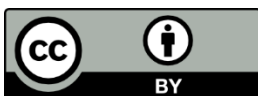
INDEPENDENT
SCHOOLS
AUSTRALIA



Independent Schools Australia is the national peak body and the voice for the Independent school sector. Our membership and board are comprised of the state and territory Associations of Independent Schools. We work closely with our members to promote choice, diversity and partnership in education, and advocate for ongoing and sustainable levels of Australian Government support through effective policy and fair funding.

Through these Associations, ISA represents more than 1,209 schools and 688,638 students, accounting for 17 per cent of Australian school enrolments and a workforce of 115,090 people.

Independent Schools Australia acknowledges the traditional custodians of country throughout Australia and recognises the continuing connection to land, waters and community. We pay respect to Elders past and present, and commit to the ongoing journey of reconciliation.



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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 include equitable access, affordability, inclusion support, adequate funding, workforce shortages and improving developmental outcomes for Aboriginal and Torres Strait Islander children and children from vulnerable and disadvantaged families.

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.

Independent Schools Australia makes the following recommendations to support healthy foundations for all Australian children:

- Providing equitable opportunities for all children to access affordable, quality early childhood education and care.
- Collaborative approaches between education and allied health services, with funding tied to key priority areas. Findings and recommendations from the Productivity Commission's Inquiry should align closely with the Australian Governments Draft Early Years Strategy.¹
- Provision of capital funding opportunities for the establishment of early childhood education and care services in rural and remote areas and areas with high population growth.
- Inclusion funding and support available for all children with a disability requiring adjustments (as defined by the Disability Discrimination Act 1992²) so they can access an early childhood education and care program on the same basis as their peers.
- Raising the profile of early childhood education and care in the broader education community to attract and retain staff as supported by the National Teacher Workforce Action Plan and the National Children's Education and Care Workforce Strategy
- Increasing the early childhood workforce through initial teacher education incentives and 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 areas with increased population growth.

¹ Draft Early Years Strategy. Retrieved from [Early Years Strategy | Department of Social Services, Australian Government \(dss.gov.au\)](https://www.dss.gov.au/early-years-strategy)

² Disability Discrimination Act 1992. Retrieved from [Federal Register of Legislation - Disability Discrimination Act 1992](https://www.federalregister.gov/legislation/disability-discrimination-act-1992)

- 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. Working with the eight state and territory Associations of Independent Schools (AISs), ISA's major role is to represent the sector on national issues and bring the unique needs of Independent schools to the attention of the Australian Government and community.

Nationally, 688,638 students attend 1,209 Independent schools, and the latest available data shows that one in six Australian school students attends an Independent school and over one in five secondary students attends an Independent school. These schools employ around 115,000 people.

Independent schools are a diverse group and serve a wide range of communities. The median fee for an Independent school in 2021 was around \$5,300, and the majority of Independent schools charge fees in the range of \$3,000 – \$5,500.

Most families with children enrolled in non-government schools are middle-to-low-income earners, increasingly from culturally diverse backgrounds, and residing in outer-suburban and inner-suburban communities. Many of these families are currently facing economic stress and are making substantial sacrifices for their children's education.

Independent schools are long-established partners in Australia's education system, alongside government and Catholic schools. They make a valuable contribution to society and the learning and wellbeing of Australian children.

Many Independent schools provide a religious or values-based education. Others promote a specific educational philosophy or interpretation of mainstream education. Many 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 sector's enrolments.

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 sector. Four out of five schools in the sector are autonomous non-systemic schools.

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.

3. ABOUT THIS SUBMISSION

ISA provided initial feedback on the Productivity Commission's Inquiry into Early Childhood Education and Care in May 2023.

ISA is pleased to provide further comment following the Productivity Commission's call for submissions into *A path to universal early childhood education and care* Draft report (Report) released November 2023.

ISA has consulted with the state and territory Associations of Independent Schools (AISs) in preparing this submission.

4. ACCESS TO EARLY CHILDHOOD EDUCATION AND CARE

Early childhood education is not compulsory but provides positive experiences which benefit a child's physical, emotional, social and cognitive development. Children who attend preschool make friends, have a higher rate of self-care, attention and concentration and develop important skills for transition to school, as they learn independence, self-reliance and regulation.³

Early childhood education and care also plays an important role in Australia's productivity, enabling parents of young children to work. The Australian Government's initial involvement in funding childcare in 1972 provided funding for non-profit organisations (including local government bodies) to operate centre-based day care facilities for children of working or sick parents.⁴

The benefits of the provision of early childhood education and care are many. Prioritising national investment⁵ in early childhood education, increasing enrolment rates for three to five-year-olds, and increasing the number of hours of early childhood education provided per week will reduce inequalities in early childhood development. It is also predicted that increased investment will produce

³ Kid Sense, "School Readiness," *Kid Sense Child Development* (blog), accessed October 28, 2021, <https://childdevelopment.com.au/areas-of-concern/school-readiness/>.

⁴ Commonwealth Support for Childcare, Parliamentary Library e-brief, accessed on 13 September 2022, https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Publications_Archive/archive/childcaresupport#:~:text=The%20Commonwealth%20Government%20funds%20two,gain%20access%20to%20childcare%20services.

⁵ Susan Pascoe and Deborah Brennan, *Lifting Our Game: Report of the Review to Achieve Educational Excellence in Australian Schools through Early Childhood Interventions* (Melbourne, Vic.: Victorian Government, 2017).

savings in health and education expenditure⁶ across the lifespan of approximately 7-10 per cent return on investment, as well as improving Australia's economic productivity.⁷

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. Reducing complexities in navigating the early childhood system and access to providers and allied health services would benefit all families and other key stakeholders.

The Australian Government is prioritising national investment with the Preschool Reform Agreement (PRA) 2022-2025 to improve early learning participation and outcomes for young children and commits all state and territory governments to a collaborative reform agenda.⁸

Governments are making significant investments to improve the wellbeing, education and development of young children. 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 Access to quality services

Providing greater equitable and affordable access to early childhood education and care services for all children, especially those in regional and remote communities and areas of high population growth is essential to improve outcomes for young children and their families.

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. 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.⁹

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.

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

⁶ Heckman Equation, "Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy," The Heckman Equation, 2013, <https://heckmanequation.org/resource/invest-in-early-childhood-development-reduce-deficits-strengthen-the-economy/>.

⁷ Carter-Smith, "Why Early Childhood Education Is Important to You."

⁸ "Preschool Reform Agreement_signed Compilation_0.Pdf," accessed July 14, 2022, https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2022-02/Preschool%20Reform%20Agreement_signed%20compilation_0.pdf.

⁹ Australian Bureau of Statistics (2023). *Preschool Education, 2022*. Retrieved from <https://www.abs.gov.au/statistics/people/education/preschool-education/latest-release>.

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).¹⁰

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.¹¹

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.

The current Child Care Subsidy (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 new early childhood education and care services in rural and remote areas and areas with high population growth is urgently needed to reduce barriers and provide greater access for all young children and their families.

5. POLICY AND FUNDING COORDINATION

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 this 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 as defined by the Disability Discrimination Act's ensuring the equitable inclusion of and support for children with imputed disability
- funding for young children with disability reflecting the type and level of adjustments required, to ensure that all required reasonable adjustments may be provided, including for young children with high support needs
- a holistic approach to support families with early childhood education and care and allied health services.

National policy strategies and funding that supports greater collaboration and transparency between education and health services would improve developmental outcomes for young children and recommends that findings from the Productivity Commission's Inquiry should align closely with the Australian Governments Draft Early Years Strategy.¹²

¹⁰ Australian Bureau of Statistics (2023). Preschool Education, 2022.

Retrieved from <https://www.abs.gov.au/statistics/people/education/preschool-education/latest-release>.

¹¹ Australian Early Development Census (accessed October 11, 2021). Retrieved from <https://www.aedc.gov.au/>

¹² Draft Early Years Strategy. Retrieved from [Early Years Strategy | Department of Social Services, Australian Government \(dss.gov.au\)](https://www.dss.gov.au/early-years-strategy)

As noted in the Report, there is little coordination or integration in the setting of Early Childhood Education and Care policy and much overlap. Similarly, there are great amounts of data collected in the early childhood sector, however there are challenges in using this data to make informed policy decisions. Greater coordination of current data collections would be of great benefit to policy makers.

5.1 Universal Reform

The Report highlights the difficulty in assessing community-wide costs and benefits of early childhood education and care subsidies and how they may increase productivity due to workforce participation. The Report also states that measuring life-long impacts from early childhood education and care attendance is difficult to quantify. Regardless, the positive impact on child development, sense of belonging and wellbeing and connecting families with local services and their communities is well known and this makes a positive case for universal early childhood education and care reform.

Research shows enrolment in preschool and regular attendance is beneficial for healthy child development. To increase preschool participation, the Australian Government introduced the Universal Access National Partnership (UANP) agreement in 2008.¹³

The UANP 2008-2021 was a commitment from the Commonwealth to provide funding to state and territory governments for quality preschool programs. This was to enable children access to at least 600 hours of early childhood education in the Year Before Formal Schooling and to increase preschool enrolments, particularly for Aboriginal and Torres Strait Islander children and children from vulnerable and disadvantaged backgrounds. This funding was distributed to the state and territory governments based on the following principles.

- Every child, 12 months prior to full-time schooling, has access to a preschool program for 600 hours per year
- The preschool program must be accredited and delivered under the National Quality Framework (NQF)
- Funding is available across a diversity of settings in a form that meets the needs of parents and at a cost that does not present a barrier to participation.

The UANP funding benefited around 350,000 children each year and supported around 12,000 preschools and services nationally. Since the UANP was introduced, the proportion of children identified as developmentally vulnerable on one or more AEDC domains decreased from 24 per cent to 22 per cent.¹⁴ Enrolment in preschool for 600 hours per year, per child, increased from 12 per cent in 2008 to 96 per cent in 2019.¹⁵

¹³ Department of Education, Skills and Employment Skills and Employment, "Universal Access National Partnership."

¹⁴ "Australia's Children, The Transition to Primary School," Australian Institute of Health and Welfare, accessed May 16, 2022, <https://www.aihw.gov.au/reports/children-youth/australias-children/contents/education/transition-primary-school>.

¹⁵ Ministers' Media Centre, "\$2 Billion Funding Agreement to Guarantee Preschool for Aussie Kids," Ministers' Media Centre, May 13, 2021, <https://ministers.dese.gov.au/tudge/2-billion-funding-agreement-guarantee-preschool-aussie-kids>.

State and territory governments were responsible for the delivery of UANP funding to services, which has meant that the funding to Independent school sector providers has varied between states and territories, with some not receiving any UANP funding.

National investment in affordable early childhood education and care and access for all children aged 0-5 years for a minimum of 3 days per week is in the nation's interest, so that all children have a chance to thrive and families have access to quality services. This will require significant investment in infrastructure, workforce incentives and collaboration and agreement between the Australian Government and state and territory governments.

Expansion of services should not come at the cost of reduced quality and the National Quality Framework has a strong role to play to ensure national consistency in quality.

5.2 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 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, there must be adequate funding support for every child, regardless of sector, system, state or territory.

The Independent school sector has many early childhood education and care services that offer two years of preschool and see the value and benefits this provides for young children to be school-ready. The 2016 Mitchell Institute report, *Preschool – Two years are better than one*¹⁶ strongly advocates that two years of preschool has more impact than one, especially for the children most likely to be developmentally vulnerable. The report argues for a national commitment for all 3- and 4-year-olds to have access to two years of quality early childhood education to develop the necessary foundational skills before entering school.

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 program and accompanying funding announcements are welcome, both Victorian and New South Wales preschools, including Independent sector preschools, will face extra pressures and costs

¹⁶ Fox, S., & Geddes, M. (2016). *Preschool – Two years are better than one: Developing a preschool program for Australian 3 year olds – evidence, policy and implementation*. Mitchell Institute Policy Paper No. 03/2016. Melbourne, Victoria: Mitchell Institute

in providing the infrastructure and staffing to cope with growing numbers of children attending preschool for more hours.

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

5.3 Cost barriers

As stated in the Report, children and their families have many different experiences when trying to access early childhood education and care, depending on costs, availability of places and types of services offered. 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 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. Twenty-five percentage points of private expenditure is subsidised by the Australian Government via subsidies to families, including the CCS.¹⁷ All families are eligible for fee subsidies, however many are required to make gap payments for childcare and/or preschool.

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.¹⁸

Further investigation into CCS reform enabling lower income families to have more targeted assistance to access early childhood education and care would be of value.

¹⁷ OECD (2016). *Starting Strong IV: Early Childhood Education and Care Data Country Note, Australia*. Retrieved from <https://www.oecd.org/education/school/ECECDN-Australia.pdf>.

¹⁸ Productivity Commission (20 January, 2021). *Report on Government Services*. Retrieved from <https://www.pc.gov.au/research/ongoing/report-on-government-services>.

6. DELIVERING OUTCOMES FOR CHILDREN AND FAMILIES

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

The Independent early childhood sector maintains high standards with 39 per cent of Independent school providers exceeding the national standards compared to 23 percent of all providers.

6.1 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.

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.

6.2 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.¹⁹

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

In the Independent sector, there has been an opportunity to observe and understand the advantages of having a preschool 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.

6.3 Inclusion challenges

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 and territories where inclusion funding is available, a diagnosis is often necessary in order to receive funding support. Parents may have difficulty accessing or affording diagnostic specialists and disadvantaged, regional or remote families may experience further barriers to access early intervention or diagnostic services.

The Commonwealth's Inclusion Support Program (ISP) for LDC, outside hours school care, vacation care and family day care services can offer some funding support for children with disability, but this funding is not available for preschool children. Some states and territories offer inclusion funding support for children with disability in preschool, however eligibility varies across sectors.

The intention of the ISP funding model is to build the capacity and capability of educators to support the inclusion of children with disability. The ISP's commitment to a broad interpretation of inclusion is commendable and necessary to remove educational barriers. ISP funding has limitations for what it can be used for which can limit its impact the capacity of services to be inclusive to children that require higher level supports requiring increasingly specialised skill, supervision or equipment. The current school disability funding model works well and could be considered as an approach to funding adjustments for children with disability in the early childhood education and care sector in addition to supporting ongoing professional development and support for staff.

¹⁹ Department of Education, Skills and Employment Skills and Employment (2021). *Universal Access National Partnership*. Retrieved from <https://www.dese.gov.au/preschool/universal-access-national-partnership>.

The 2020 Review of the Disability Standards for Education²⁰ noted shared concerns from the early childhood education and care sector regarding staff knowledge of the ISP, narrow eligibility for funding and lack of capacity to use funding for professional learning or planning meetings.

Given the variability in the availability of state and territory funding and as the current Australian Government school funding model does not cover preschool, 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.

6.4 Aboriginal and Torres Strait Islander children

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 2021.²¹

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 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.²² 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).²³ Data on the number of Aboriginal and Torres Strait Islander children enrolled in Independent sector preschools is unknown.

As outlined in the Report, there are many communities with limited or no local services, particularly in regional and remote areas. Having greater access to services could make a significant difference to the development of young children in these communities.

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.

²⁰ Australian Government Department for Education (2020). *Final Report of the 2020 Review of the Disability Standards for Education 2005*. Retrieved from <https://www.education.gov.au/disability-standards-education-2005/resources/final-report-2020-review-disability-standards-education-2005>

²¹ 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>.

²² Commonwealth of Australia (2022). *Commonwealth Closing the Gap Annual Report 2022*. Retrieved from <https://www.niaa.gov.au/sites/default/files/publications/niaa-closing-the-gap-annual-report-2022.pdf>.

²³ Productivity Commission (June 29, 2022). *Socioeconomic outcome area 3*. Retrieved from <https://www.pc.gov.au/closing-the-gap-data/dashboard/socioeconomic/outcome-area3>.

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.

7. WORKFORCE CHALLENGES

7.1 Workforce Challenges

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.²⁴ According to the National Skills Priority list, within the Educational Professional occupations, Early Childhood (Pre-primary) Teaching is experiencing a national shortage.²⁵

National strategies that will further grow, develop and professionalise the early childhood workforce to attract and retain educators is crucial for future growth of the sector.

7.2 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

²⁴ McDonald, P., Thorpe, K., & Irvine, S. (2018). Low Pay but Still We Stay: Retention in Early Childhood Education and Care. *Journal of Industrial Relations* 60(5). Pp.647–68. <https://doi.org/10.1177/0022185618800351>.

²⁵ National Skills Commission (2022). *Skills Priority List Occupation Reports: Education Professionals*. Retrieved from <https://www.nationalskillscommission.gov.au/publications/skills-priority-list-occupations/anzsco-sub-major/education-professionals>

- qualifications and career pathways
- data and evidence.²⁶

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

7.3 Initial teacher education

One of the aims of the National Teacher Workforce Action Plan is to strengthen Initial Teacher Education (ITE) programs, including early childhood teachers. This is important 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 are required 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
- 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 student teachers who must travel and take time off regular employment to participate in practicums
- improving pathways, pretraining supports and the structure of practicums. eg investigate intern models
- a focus on collaboration with parents and carers
- career progression and professional recognition for the early childhood workforce.

There is a strong positive correlation between higher level qualifications and high-quality early childhood education and care.²⁷ Higher level qualifications may be supported through accessible and high-quality ITE and Certificate- or Diploma-based courses, and through targeted support for educators to move through the accreditation process. Accessible, site-focused high-quality micro credentials or professional learning could be further supported through funding initiatives.

²⁶ Australian Children's Education & Care Quality Authority (accessed October 15). *National Workforce Strategy*. Retrieved from <https://www.acecqa.gov.au/national-workforce-strategy>.

²⁷ Manning, M., Garvis, S., Fleming, C., Wong, T. W. G. (2017). *The relationship between teacher qualification and the quality of the early childhood care and learning environment*. Retrieved from <https://www.acecqa.gov.au/sites/default/files/2018-02/ECG-Manning-Teacher-qualifications.pdf>

7.4 Educator incentives

Educator training incentive programs are available in many states and territories and some subsidies are offered for Certificate III and Diploma courses in early childhood education to increase the early childhood workforce.

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 which pays a proportion of university or higher education provider fees for eligible students.

Government incentives that will attract more people to the early childhood educator workforce, incentives or funded programs must be cross-sectoral.

7.5 Capacity to meet workforce requirements

The growing demand for early childhood teachers and educators is not new. The National Children's Education and Care Workforce was released in 2021 as a long-term strategy to foster a sustainable and high-quality workforce of early childhood teachers and educators for the future. It targets complex and long-standing issues associated with attracting, developing and retaining a high-quality workforce.²⁸

The December 2022 National Teacher Workforce Action Plan also includes the early childhood sector and outlines several key initiatives to support workforce requirements, including improving teacher supply and teacher retention strategies. 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.

8. CONCLUSION

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. The Department of Social Services Draft Early Years Strategy²⁹ has a clear vision to break down a siloed approach and have health and education providers working together to provide a more transparent, navigable holistic approach to early childhood education and care services.

Further investment is required to implement 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.

²⁸ National Children's Education and Care's Workforce Strategy 2021. Retrieved from [National Workforce Strategy | ACECQA](#)

²⁹ Department of Social Services Draft Early Years Strategy. Retrieved from [Early Years Strategy | Department of Social Services, Australian Government \(dss.gov.au\)](#)

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.

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 to implement the early childhood education and care reform agenda.

ISA would be happy to attend a hearing to provide evidence to the Productivity Commission to support our submission.

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