

17 November 2023

Early Childhood Education and Care Review
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop, NSW

RE: Review of early childhood education and care interim report

Thank you for the opportunity to feedback on the 'Review of early childhood education and care (ECEC) interim report'. Your review of the market accessibility, affordability and consumer choice is an important contribution toward ensuring children in New South Wales can access good quality ECEC during this critical phase of development.

Social Ventures Australia (SVA) seeks to alleviate disadvantage and improve social outcomes by focusing on where we can have the greatest impact. SVA recognises that the best chance to change lifelong outcomes for children is to change what happens in early childhood. It is particularly important to get this opportunity right for children who are experiencing disadvantaged circumstances, as they stand to benefit the most from system improvements that are done well. SVA's expertise and partnerships across early childhood includes:

- [Young Children Thriving](#) program encompassing;
 - Nurture Together: mobilising Integrated Child and Family Centres to transcend disadvantage
 - SNAICC Early Years Support: transforming Aboriginal and Torres Strait Islander access to quality early learning with focussed delivery supporting backbone intermediaries in [NSW](#), Victoria and WA.
 - Early Years Catalyst: redressing the root causes and systemic forces that drive disadvantage in the early years. SVA is one of the 12 founding members and currently hosts the backbone team.
- [Restacking the Odds \(Restacking\)](#), in collaboration with Murdoch Children's Research Institute, Social Ventures Australia and Bain & Company driving more equitable outcomes through five early years strategies, including ECEC and includes a focus on quality, quantity and participation through better use of data to improve these strategies.

Social Ventures Australia Limited

- [Evidence for Learning](#) (E4L) is a non-profit education venture incubated by SVA. Established in 2015, E4L seeks to improve the quality, availability and use of evidence in education including ECEC, by collaborating with education researchers, policy makers, systems leaders, educators, professional learning providers, philanthropists and the wider community.
- The [Newpin Social Benefit Bond](#), launched in 2017, was the first social impact bond (SIB) in Australia, supporting the restoration of children and parents in the out of home care system.
- Member of the [Goodstart Syndicate](#): SVA is one of four charities responsible for the establishment of Goodstart Early Learning – together with Benevolent Society, Mission Australia and the Brotherhood of St Laurence.
- [The Connection](#) is a strategic network of Australian educators designed and convened by SVA with the vision that every young person deserves access to an education which supports them to thrive in life and community.
- Working with a diversity of social sector organisations through [SVA Consulting](#), one of Australia’s leading social purpose consultancies. This has included working directly with many organisations within the early years sector, including Goodstart Early Learning, Gowrie, and SNAICC.

We are pleased to see Social Ventures Australia’s paper ‘[Happy, healthy and thriving children: enhancing the impact of Integrated Child and Family Centres in Australia](#)’ has contributed to IPART’s insights and recommendations for inclusion including the development of wrap-around services, and would be happy to work with IPART and the NSW Government to share further insights to support implementation of these recommendations.

Please find below our feedback on IPART’s draft findings and draft recommendations for your consideration.

Expanded consideration of equity, access and inclusion

IPART’s report draws on consultations with a wide range of groups and highlighted examples of the additional barriers faced by some children and families in accessing and affording ECEC. These findings should be clearly accounted for throughout the recommendations to ensure subsequent action and system improvements prioritise redressing barriers for children who are most significantly impacted.

Recommendation 1: Australian state, territory and Commonwealth governments should work together to develop an integrated funding approach to early childhood education and care.

- *Governments should clarify the objectives of the funding approach, including that all governments are committed to early childhood services as enabling both inclusive early learning for children and workforce participation for parents.*

- *The funding approach should prioritise improving affordability and accessibility for families with lower incomes, families living in regional or remote Australia, Aboriginal and Torres Strait Islander families, and families with multiple vulnerabilities.*
- *The activity test for receipt of Child Care Subsidy should be reviewed as a priority.*

We welcome draft **recommendation 1**, particularly **point 2** emphasising, a clarified funding approach that recognises the priority of enabling inclusive early learning for children. We also support **point 3**, noting that the activity test has been a barrier to participation of families of children who would benefit most from ECEC.

SVA's work highlights why it is important that children's outcomes remain a core focus for designing improvements in the ECEC system, including:

- Extensive research indicates that the education and care of young children (from birth to eight years of age) has an immense influence on long-term outcomes related to their cognition, resilience, health and wellbeing. It shows that all children, but especially those from the lowest socioeconomic quintile benefit from good quality early education opportunities prior to starting school. These benefits relate to formal ECEC models, particularly high-quality centre-based care and preschool or kindergarten programs in the one to two years immediately preceding school¹.
- Evidence for Learning's Early Childhood Education [toolkit](#) and our work on *Restacking* has found that two years of high-quality early years' education before starting school has a high impact and is particularly positive for children from low-income families². *Restacking* proposes that Early Childhood Education and Care is available for 3 years before school for children from disadvantaged backgrounds.
- Children from disadvantaged backgrounds are less likely to be enrolled in preschool for 15+ hours and when they are enrolled they attend for fewer hours and in lower quality services than their non-disadvantaged counterparts.³ The evidence demonstrates that children and families with the greatest need are least likely to access services or receive the comprehensive support they need.⁴

¹ C Molloy, P Quinn, C Harrop, N Perini, and S Goldfeld, [Early childhood education and care: An evidence based review of indicators to assess quality, quantity and participation: Technical report](#), Melbourne, 2020,

² Evidence for Learning, [Early Childhood Education Toolkit](#), [website]; C Molloy, P Quinn, C Harrop, N Perini, S Goldfeld, [Early childhood education and care: An evidence based review of indicators to assess quality, quantity and participation: Technical report](#), 2020

³ R Beatson, C Molloy, Z Fehlberg, N Perini, C Harrop, and S Goldfeld, [Early Childhood Education Participation: A Mixed-Methods Study of Parent and Provider Perceived Barriers and Facilitators](#), Journal of child and family studies, March 2022, accessed 21 April 2023; S Fox and M Geddes, [Preschool – two years are better than one: developing a preschool program for Australian 3 year olds](#), Mitchell Institute, 2016, Victoria University

⁴ S Fox, A Southwell, N Stafford, R Goodhue, D Jackson and C Smith, [Better systems, better chances: a review of research and practice for prevention and early intervention](#), Australian Research Alliance for Children and Youth (ARACY), 2015

IPART has made a number of findings and recommendations which should include a **more explicit focus on equity**, to ensure children and families who face greater barriers to participation are considered throughout all relevant areas of ECEC planning:

- **Finding 1:** Expand the scope to articulate which children are most likely to experience the effects of the perverse outcomes
- **Recommendation 1:** Expanding the recommendation for a review of the activity test to call for the immediate removal of the activity test for Aboriginal and Torres Strait Islander children and families
- **Recommendation 3:** Consider how the digital and data strategy includes mechanisms and a clear purpose to redress inequities to access
- **Recommendations 4 and 7:** Equity based planning should take account of which children and families will benefit and how they stand to benefit (for example, increased access to learning). This includes consideration in the design of session hours and identification of locations of new preschool sites. Funding allocated must be adequate to support these equity goals
- **Recommendation 9:** Ensure that equity of access to high-quality education underpins appropriate funding for children living in remote and regional NSW
- **Recommendation 22:** Ensure equity of access is foundational to decisions about streamlining funding and grants programs for ECEC, including location of wrap-around pilot sites

We welcome IPART's reflections throughout the report that there are additional barriers faced by children and families with disability or additional needs, living in outer regional areas or in low socio-economic households. While these important factors have been identified, the report could be further strengthened by:

- expanding the section on 'inclusion' to include a specific focus on children experiencing socioeconomic disadvantage as a distinct cohort facing unique challenges and barriers, while also recognising intersectionality with other factors (children with disability/additional needs, Aboriginal and Torres Strait Islander and cultural and linguistic diversity).
- in addition to barriers around inclusion, acknowledging that children from low socioeconomic backgrounds often face barriers to access in the first place due to exclusion, marginalisation, complex family circumstances and low parent education, with these children under-represented in ECEC.
- expanding the discussion on disability and additional needs to include a focus on children experiencing disadvantage, recognising that these children are more likely to experience developmental vulnerability than children from less disadvantaged backgrounds.
- noting that children experiencing socioeconomic disadvantage also face additional barriers to identification of disabilities and that wrap-around/integrated models inclusive of allied health (such as in recommendation 15) would be particularly impactful in disadvantaged communities

- expanding the discussion of allied health in finding 5 to include improved allied health services in centres supporting families experiencing socioeconomic disadvantage in order to support early intervention. This would streamline access for children, especially those who may not yet be assessed as eligible for NDIS; it would build the capacity of staff in the centre; and improve early detection and intervention.

Feedback on recommendations

Recommendation 3: *The NSW Government should develop a digital service and data strategy for the early childhood education and care sector, so families can more easily find, choose and use services that meet their needs, and providers and governments can make better informed decisions.*
and

Recommendation 7: *The NSW Government, when negotiating the next preschool funding agreement should advocate for Commonwealth funding to support longer attendance for children in areas where there are no other available services, or no suitable services. This would*

- *support parents and carers who want to participate in the workforce*
- *increase access for children who would benefit from longer attendance.*

We support IPART's findings and **recommendation 3** for a proposed digital service and data strategy, particularly to enable provision of more accurate information to service providers and decision makers.

A core element of *Restacking* is the use of data and [evidence-based lead indicators](#) to focus on how providers in the early years system can work differently to improve outcomes for children. *Restacking* is partnering with early years' service providers and place-based initiatives to improve lead data use while also capturing insights into current gaps in available data, and on barrier and enabler conditions of data practice.

Through *Restacking*, we know that when they have access to lead indicator data, service providers are ideally-placed to take timely action to benefit children. We have also provided some information on this project and proposed lead indicators to IPART as part of the request for feedback on the ECEC Market Review methodology.

The digital service and data strategy (outlined p4) has the potential to direct system improvements at multiple levels, if well-designed and aligned to objectives of equitable outcomes for children.

The strategy should identify prospective data user groups at each level, including government, service providers and service users (families) and take into account the data needs for each group. This should include consideration of the potential different uses, purpose and value of data for each group in decision making that can improve access and quality of services overall.

To meet the objective of improved access to ECEC, service-level lead indicator data should form a component of the data strategy. This should include:

- a framework for and tools for service providers to collect, conduct timely analysis and draw insights from data on quality, quantity and participation with a view to continuous improvement. It is important this includes service-level data on attendance (compared to enrolment), including attendance on children experiencing disadvantage
- tools which also enable service-level data amalgamation on topics important to service or community-level users, such as capturing community voice and local needs and priorities
- an emphasis on monitoring preschool participation, so that service providers and decision makers are able to identify issues with under-participation in their communities
- mechanisms which protect privacy and ensure data is captured and used for the purpose of improvements for children (and not put service funding at risk)
- a common indicator framework that allows aggregation of data to support better planning and insight across communities, regions and the wider system.

This would also support your **recommendation 7**, that new preschools should be designed so that longer/more flexible preschool hours are available in areas where children may benefit from longer attendance.

Recommendation 15: *The NSW Government should work with the early childhood sector and early intervention professionals to develop and implement a model and system for wrap-around support for children and families experiencing disadvantage and vulnerability. These supports should be:*

- *provided in locations where children and families experience the greatest levels of disadvantage and vulnerability.*
- *flexible to respond to the needs of different communities.*
- *designed to achieve greater collaboration between early childhood services and other services that support children and families.*

and

Recommendation 22: *The NSW Government should:*

- Review NSW funding programs and grants that support accessibility and inclusion to ensure that:*
 - *All services are aware of funding opportunities and how to apply for them*
 - *the number of programs and grants are minimised, e.g. by combined program that target the same priority groups*
 - *services are provided with appropriate flexibility in service delivery*
- Consider trials of integrated provision (“wrap-around services”) models in areas of greatest need*

We strongly support **recommendations 15 and 22** highlighting the value of and need for wrap-around services. As noted in your findings, SVA has substantial insight into how these models can

be planned and delivered and would be happy to support and advise the NSW government on adopting this recommendation.

SVA and the Centre for Community Child Health commissioned Deloitte Access Economics research report '[Exploring need and funding models for a national approach to integrated child and family centres](#)', and have attached this document for IPART's further consideration. This report identified 189 communities across NSW with high levels of socioeconomic disadvantage and child vulnerability. There are more than 35,500 children aged birth to six years living in these communities who are also experiencing significant hardship. These children are considered to be those experiencing the most significant disadvantage. Only 8% of these children currently have access to an integrated child and family centre.

Feedback on Aboriginal and Torres Strait Islander-led ECEC

Finding 10: *Aboriginal Community Controlled Organisations provide culturally supportive, integrated education and family support services that improve accessibility for Aboriginal and Torres Strait Islander children.*

and

Recommendation 13: *The NSW Department of Education should ensure that its current work on an Aboriginal Cultural Safety Framework includes development of resources and strategies to provide culturally safe and inclusive care for Aboriginal and Torres Strait Islander children and families.*

and

Recommendation 31: *The NSW Government should work with other jurisdictions to:*

- *Progress recognition of the value of culture and language that Aboriginal and Torres Strait Island and culturally and linguistically diverse educators bring to the education and care of children*
- *Progress mutual recognition or pathways for international qualifications (as provided in the National Workforce Strategy)*
- *Progress a nationally consistent approach to incentives for the attraction and retention of educator.*

We support IPART's findings and acknowledgement of the beneficial model of integrated education and family support services provided by Aboriginal Community Controlled Organisations (ACCO), not only for their success in increasing access to and participation in ECEC but through their ability to deliver high quality, culturally strong services designed operated and staffed by Aboriginal and Torres Strait Islander people. We also support the recommendation to highlight the value of and expand support for Aboriginal and Torres Strait Islander ECEC workforce.

However, there is no recommendation included which describes how the NSW Government should support these essential services and support Aboriginal governance of ECEC, as recommendation 13 relates to strengthening cultural safety within non-Aboriginal ECEC services.

The NSW Government provides funding to Aboriginal and Torres Strait Islander Child and Family Centres (ACFCs) to ensure their operation beyond sole reliance on Child Care Subsidy; the only Australian jurisdiction to make this investment and is committed to expanding the number of ACFCs in NSW. This investment should be recognised within the report, with steps taken to secure the Government's commitment to Aboriginal and Torres Strait Islander-led models of and delivery of ECEC.

The different funding models for ACFCs and Multi-functional Aboriginal Children's Services (MACS) result in complexity and significant challenges that require secure and increased funding, support and infrastructure to ensure optimum delivery and redress disparities which threaten the operation of some services. We also note that major funding challenges exist for Aboriginal preschools. SVA supports SNAICC's proposal for a review of the funding model through a two-tiered approach for immediate fee relief while accommodating service expansion.

IPART should **make a recommendation** for the NSW Government to expand funding for the ACCO sector, and in particular to:

- convert MACS to ACFCs to access the same level of funding for the same purpose that they serve
- commit to a further 10 ACFCs in addition to the recent commitment to 6 new ACFCs for communities without access to these services
- provide preschool infrastructure funding grants to ensure high quality centres, and
- increase preschool operational funding.

In relation to recommendations impacting First Nations children and families, SVA encourages IPART to give strong consideration to the SNAICC submissions to this process. SVA supports SNAICC recommendations to IPART including providing additional fee relief for preschools and exempting Aboriginal and Torres Strait Islander children from the 600-hour affordable preschool scheme.

Additionally, an overhaul of the funding model is proposed to support ACCOs addressing challenges such as cyclical funding structures, adequate funding for building and maintenance, recognition of community and elders, funding for educator training, and support for wrap-around services, including health checks and NDIS access for 3- and 4-year-olds.

Previously, SNAICC has prepared reports '[Service Integration for Aboriginal and Torres Strait Islander early childhood development: A multiple case study from NSW and Queensland](#)' and '[Changing futures with our children and families report: NSW Profiles](#)' which articulates the ACFC and MACS models. [SNAICC Early Years Support](#) (formerly THRYVE) program directs critical resourcing to a backbone intermediary to increase the reach and strength of the ACCO ECEC sectors. SVA suggests IPART recommend long term funding for the SNAICC Early Years Support model to provide consistent supports and advocacy for the NSW ACCO ECEC sector.

ACCOs report barriers to access, affordability and supply in the delivery of ECEC under many of the areas noted in IPARTs report. The following recommendations could be expanded to highlight Aboriginal and Torres Strait Islander communities, children or service models to ensure a priority focus in these areas:

- recommendation 15: wrap-around models
- recommendation 22: review of funding programs
- recommendation 37: provider costs review

SVA is happy to discuss or provide further information on this feedback. We look forward to the final report.

Yours sincerely

Patrick Flynn

Director Public Affairs

Attachments

Deloitte Access Economics, [Exploring need and funding for integrated child and family centres](#), 2023, prepared for Social Ventures Australia (SVA) and the Centre for Community Child Health