

Pre-Budget Submission to the Victorian Government 2020-2021

Building the future of kindergarten

The future for today's children is brighter than ever before. 2020 will herald the start of a decade-long expansion to bring 15 hours of kindergarten to all three-year-old Victorian children. Two years of kindergarten will establish learning practices which they will use all their lives, setting children up for success at school and better employment prospects as adults.

ELAA commends the Andrews State Government for their work in directing this biggest reform in the history of early learning. We are pleased to be a part of supporting the roll-out through the provision of advice and resources to services.

The future of kindergarten funding remains uncertain, however, with the Commonwealth considering its position in the early childhood education and care sector through the review of the Universal Access Partnership Agreement. The challenges in the implementation of the roll-out of two years of kindergarten are also significant. In particular, ELAA advocates for the need for an integrated workforce strategy to attract, develop and retain a highly skilled workforce.

On behalf of our members we are pleased to present this submission for the consideration of the Andrews Government in the formulation of its budget for 2020-2021. Our recommendations on the implementation of two years of kindergarten, the expansion of a quality workforce and the sustainability of services are informed by our close relationship with ELAA's members.



David Worland
Chief Executive Officer



Grant Boyd
President

About ELAA

Early Learning Association Australia (ELAA) is a peak body which works in partnership with early learning providers and parents to deliver our vision of excellence in learning for every child. Our diverse membership base of over 600 service providers managing services at nearly 1,300 locations includes early years management organisations, independent kindergartens, local governments, long day care services, government and independent schools and out of school hours care programs.

Valued for our advocacy, ELAA also provides support and advice in the areas of governance, human resources/industrial relations, enterprise bargaining, occupational health and safety and road safety education as well as a professional learning and development and an annual conference. ELAA works closely with Federal, State and Local Governments and collaborates with a diverse range of organisations and peak bodies from across the education and community sectors. Together with our members and partners, ELAA is an influential advocate for excellence in early childhood education for all children.



Full commitment to two years of kinder

ELAA's vision

All Australian children have access to two years of quality preschool with funding responsibility shared by Commonwealth, state and territory governments through a renewed National Partnership agreement.

Services receive implementation support in the transition to two years of preschool which reflects the needs and resources of local communities

The review of the Universal Access National Partnership raises significant questions about how the Commonwealth views its role as a funder of early childhood education and care. ELAA and our members are concerned that the states and territories may be expected to bear the full costs into the future and what this may mean for the Andrews State Government's promise of two years of kindergarten.

The timelines for the implementation of kindergarten expansion in Victoria are ambitious. To date the sector has had high-level input into the implementation of the roll-out. Services will play a role in infrastructure enhancements from advising on design to project management to fitting out redeveloped spaces. In metropolitan areas where services are landlocked and the options for redeveloping facilities are limited, new ways of working may need to be developed. Partnerships between services may need to be established, the use of buildings re-imagined, and models which optimise the fit between local community needs and expectations, available infrastructure and staffing profiles developed. The demand on services will also come at a time when they need to grow their capacity in many other ways through building their relationships in community to expanding their workforce. Seeding grants would support services to create flexible options to ensure timely availability of places for all three-year-old children.

Broader measures to support the scale of the change management are also required, including increasing the awareness of parents about the value of two years of kindergarten and building the capacity of maternal and child health services, supported playgroups and other services to promote entry at three years of age.

ELAA's recommendations

1. The Victorian State Government continues to actively campaign in partnership with other states and territories for a new National Partnership Agreement which provides long-term funding certainty and a national commitment to two years of preschool.
2. The Victorian Government plans for the possible withdrawal of the Commonwealth from its funding responsibilities for preschool education.
3. The infrastructure planning process is made transparent and services are prepared for and funded for their contribution to establish or upgrade facilities.
4. Early years management organisations and stand-alone kindergartens have increased involvement in the design and implementation of two years of kindergarten.
5. Services are supported to develop collaborative models of delivery through seeding grants.
6. A change management program targeting parents and key referral services, such as maternal and child health and playgroups, is implemented to increase understanding of the value of two years of kindergarten.

A quality and available workforce

ELAA's vision

An available, capable and rewarded workforce delivering quality early childhood education and care.

Of all the challenges the sector faces in the expansion of the kindergarten program, having a quality workforce is the most significant. Six thousand new teachers and educators will be needed by 2022. Attracting new graduates is difficult when the pay and conditions in other sectors are more attractive. In the last few months, the Department of Education and Training has promoted grants of \$50,000 to school teachers to relocate to rural areas compared to grants of \$9,000 for early childhood teachers. When graduates are able to work in either early childhood or the primary school system these marked differences leave the early childhood sector at an impossible disadvantage. State Government funding is needed to support a new Victorian Early Childhood Teachers and Educators Agreement which will help to bridge the wages gap.

Change fatigue in the highly regulated early childhood environment is also making it harder to retain experienced staff and fewer people are being attracted to early childhood teacher positions¹. Employee Assistance Programs (EAP) contribute to employee retention and work satisfaction and cost-benefit analysis shows returns of up to \$2.30². Periods of stress which come with working with families from diverse backgrounds, including experiences of family violence and other trauma can take their toll on staff and impact on the quality of the learning environment. EAP is an investment in the future of the workforce and the children and families they serve.

Feedback to ELAA from our members is that there is work to be done to ready staff for the changes to the nature of their work, so they understand the benefits for children and feel connected, engaged and culturally ready to welcome three-year-old children and their families. Supporting employers and their staff with funded professional learning and development opportunities will be a critical enabler of this outcome.

During 2020, negotiation of the next Victorian Early Childhood Teachers and Educators Agreement will conclude. Ensuring wages and conditions for sector employees improve and match those of their Primary and Secondary education counterparts is vital.

Contingency plans for the eventuality that the numbers of teachers and educators cannot be recruited need to be developed in consultation with the sector. Waivers are often used as a tool; however, a large-scale use of waivers would be detrimental to the quality goals of two years of kindergarten.

¹ McKinlay S., S Irvine and A Farrell 2018 'What keeps early childhood teachers working in long day care? Tackling the crisis for Australia's reform agenda in early childhood education and care' *Australian Journal of Early Childhood* 43(2)

² Price Waterhouse Coopers 2014 *Creating a mentally healthy workplace: Return on investment analysis* Final Report March 2014 beyondblue; National Mental Health Commission; The Mentally Health Workplace Alliance

ELAA's recommendations

1. Consult with the sector to develop a comprehensive workforce strategy which sets targets for retaining and attracting teachers and educators, including in areas of disadvantage.
2. Pay equity for early childhood teachers and educators with those working in the school system, in particular full funding for the Victorian Early Childhood Teachers and Educators Agreement.
3. Funded professional learning and development opportunities to improve workforce capability.
4. Parity of incentives to move to areas of demand and disadvantage.
5. Implement an employee assistance scheme for all teachers and educators in the sector.
6. A funded change management strategy to promote work with three-year-old children.
7. Develop contingency plans in consultation with the sector to address a short-fall in required staff.

A thriving service system

ELAA's vision

A sector, which is sustainable and actively engaged with their local communities in the roll-out of three-year-old kindergarten.

Early Years Management services (EYMs) make a qualitative difference to children's lives, providing a higher quality service and supporting the implementation of government reforms. EYMs are best placed to support the change management processes, operating across multiple service sites and ensuring consistency of implementation. They contribute to delivering the best outcomes for children³.

The early years sector is going through a period of transformation with a complex, changing regulatory and delivery environment. The Department of Education and Training's reform agenda includes the kindergarten expansion and the continued roll out of school readiness funding. Alongside those reforms, from 1 January 2020 early childhood services will begin reporting in the Portable Long Service Leave scheme and affected services must implement new staffing ratios. Later in 2020 the Child Information Sharing scheme will be implemented.

ELAA's report on the sustainability of Early Years Management⁴ raised a number of significant concerns about the viability of the sector including:

- expanded role of EYMs and the increasing regulatory demands and of services
- the low planned take-up of stand-alone kindergartens by early years management organisations and the cross-subsidisation of otherwise unviable kindergarten services

³ Deloitte Access Economics 2019 *Early Years Managers activity analysis* Early Learning Association Australia 13 December 2019

⁴ Early Learning Association of Australia 2019 *Early Years Management: Achieving a sustainable service system*

- lack of sector confidence at a time of record investment with 66% of services concerned that, without an increase in funding, they would not be around in two years' time and half of those (33%) concerned that they could not continue for the next 12 months.

Kindergartens with a high number of children on the Kindergarten Subsidy Scheme report financial difficulties. They are also limited in their ability to fundraise due to the constraints of the community they are serving.

The community not-for-profit sector is also facing competition with increasing and unsustainable private sector investment. Not-for-profit services are places for all families, regardless of their capacity to pay, to connect with others and be supported.

ELAA's recommendations

1. Provide clarity about the long-term role of Early Years Management Services in relation to stand-alone services.
2. Recognise role of Early Years Management organisations as critical contributors to quality through sustainable funding.
3. Fund service providers for the costs of reform implementation, recognising both the initial higher implementation cost and the long-term ongoing costs.
4. Restructure the Kindergarten Fee Subsidy to reflect local demographics.
5. Support not-for-profit kindergartens to maintain their valuable role building social capital in their local community.