



2 February 2021

Better outcomes for all children

The past year has presented challenges of an unexpected magnitude, from bushfires to the coronavirus (COVID-19) pandemic. The Andrews Government is to be congratulated for its response to facilitate continued engagement of children in early childhood services and supporting the sector whilst maintaining a focus on the exciting reforms of three-year-old kindergarten and School Readiness Funding. The announcement of free kindergarten in 2021 will bring relief to many parents and provide earlier access for many children.

In 2020 ELAA responded to a record number of enquiries assisting members with information and support to adapt and respond in a changing working environment and in the implementation of the reforms.

On behalf of our members are pleased to present this submission for the consideration of the Andrews Government in the formulation of its budget for 2021-2022. The submission goes to the ways better outcomes for all children can be achieved through:

- Access for all children through continued free kindergarten
- High quality stable workforce
- Sustainable high-quality community-based not-for-profit services
- Reform of the early childhood service system based on children's rights.

We would be pleased to discuss any elements of this budget submission with you directly. To arrange a discussion, please contact Nancy Saliba at nsaliba@elaa.org.au.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Worland'.

David Worland
Chief Executive Officer



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 625 service providers managing services at over 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. More information about ELAA can be found at www.elaa.org.au

Extend free kindergarten

The State Government decision to provide free funded sessional kindergarten and subsidized fees for both kindergarten in long day care and unfunded three-year-old sessional kindergarten in 2021 is a very exciting development. The policy sends a clear message about the critical value of early childhood education for all children and for the first time puts kindergarten on a par with school. It will have a number of outcomes:

- Increased enrolments in four-year-old kindergarten, following a declining participation rate over recent years (Department of Education and Training, 2019) and variable engagement throughout 2020 as the coronavirus (COVID-19) pandemic took hold.
- Increased enrolments in three-year-old kindergarten ahead of the state-wide rollout.
- Increased workforce participation.
- Savings for families of approximately \$2,000 for each child in a funded kindergarten program and reduced fees for children in unfunded kindergarten.

Most importantly of all is the benefit it will have for children, on their development, and on their future - preparing them to achieve at school and for lifelong journey of learning.

Extending the initiative for 2022 would provide data for two years, including the scheduled statewide rollout of a minimum of five hours of three-year-old kindergarten. ELAA and our members want an examination of the learnings from this policy with a view to the ongoing provision of free kindergarten.

ELAA has raised concerns about the lack of flexibility of the initiative and its detrimental impact on some services and would like to see support extended to services disadvantaged by the scheme.

Recommendations:

1. Continue free kindergarten for a further year to assess its impact with a view to ongoing provision of two years of free kindergarten.
2. Increase flexibility of free kindergarten initiative to consider services negatively impacted.



Value a skilled and experienced workforce

The recently concluded negotiations for the sector's multi-employer wages agreement – Victorian Early Childhood Teachers and Educators Agreement (VECTEA) – provides key reforms for employers and employees. These include increased wages for teachers and educators within current government wages settings, increased planning time for Nominated Supervisors and Educational Leaders, greater career progression opportunities, and greater flexibility for employers to ensure a high-performance workforce.

ELAA welcomes these reforms and acknowledges the initial funding support provided by the Victorian Government. This funding support has been established for the calendar year 2021 however funding for the duration of the agreement (expiry date of 30 September 2024) has not been confirmed, with formal discussions with the Department of Education and Training to commence toward the end of Term 1 2021.

Victorian Government funding for teacher and educator wages and conditions is critical for the sector to be able to attract and retain staff with relevant skills and experience.

Attraction and retention of early childhood teachers and educators continues to be a critical issue for the growing sector, with the expansion of three-year-old kindergarten requiring an effective doubling of the workforce. The State Government has established a number of welcome initiatives to attract new people to the sector, including scholarships and incentives to locate to regional areas, as well as initiatives to retain early career teachers such as support with registration, conferences, career planning and networking.

The sector has long struggled with retention due to poor pay and social standing with as many as two in three educators considering leaving their role in one survey conducted in 2019 (as reported by Jackson, 2021). Anecdotal evidence suggests that the coronavirus (COVID-19) pandemic has resulted in a significant number of departures. The insecurity of the work, the mental health challenges and the demanding policy environment are some of the additional contributing factors. The sector is, however, changing with improvements in pay and conditions and a concerted effort to raise the standing of the profession.

An opportunity exists to try to attract people who have left the sector to return, with a package of incentives including refresher courses, once-off payments and through broadening the range of workforce initiatives to include those returning in their target group. Mobilizing people with skills and experience and providing them with support and resourcing them to work in the new context will mean fewer services with waivers and greater quality for children.

Recommendations:

3. Fully fund employer costs arising from and associated with the implementation and operation of the next VECTEA for its duration.
4. Support the return of people who have left the sector and those who have retired early through the provision of a package of enticements.



Support community-based services to survive and thrive

Many early childhood services entered the pandemic with limited to no cash reserves. State Government funding of parent fees and for increased cleaning expenses was a significant contribution, however reserves of many services were further depleted.

One of the biggest issues facing Early Years Management organisations (EYMs) is carrying a service in their portfolio, with declining enrolments indicating that is no longer needed by the community. Changing demographics, the opening of new child care centres and the State Government policy of building kindergartens on new school sites are impacting on enrolment numbers of older established kindergartens. Low enrolments over a number of years are, in turn, having a detrimental impact on the bottom lines of some EYMs.

Advice from the Department of Education and Training (DET) is that the anticipated increase in demand with the roll-out of three-year-old kindergarten is likely to address these issues. ELAA and our members want to work in partnership with DET and the State Government to:

- assess the impact of three-year-old kindergarten on sustainability of service
- review the funding model of both standalone kindergartens and EYMs and the underpinning assumptions
- develop an agreed process of retiring a service where there is no longer a community demand for it.

As services approach full state-wide rollout of three-year-old kindergarten in 2021, planning and preparations are intensifying. Services which have been engaged in the roll-out to date have reported significant demands on their time over and above business as usual requirements to attend regional and other meetings, plan how three-year-old program will work within their service, including consulting with community, revising organizational structure and recruiting staff, building the capacity of existing staff and local promotions. The successful implementation of a reform of this scale and impact on service provision requires funded support through the period of change.

The continued growth of private providers is putting pressure on the not-for-profit sector. Long day care services, including private providers are considered to be an important part of the roll-out of three-year-old kindergarten, however in doing so it is essential that quality and the outcomes they deliver for children are not sacrificed.

Community-based/not-for-profit services are a vital part of our early childhood education sector. They have, on average, higher quality ratings than for-profit services with forty percent of the community managed services exceeding the National Quality Standards as compared to eighteen percent of profit services. Representing over forty percent of the sector these services make a vital contribution to their communities. (Australian Children's Education and Care Quality Authority, 2020).



The structure of the sector will continue to evolve with growing potential for poorer quality service provision. A long-term vision needs to be in place and planned for to ensure that the interests of children, families and their communities are served.

Recommendations:

5. Provide bridging funding for unprofitable services until the impact of three-year old enrolments can be seen.
6. Provide additional funding for services to plan for and implement three-year-old kindergarten.
7. Plan for and fund ongoing a robust not-for-profit sector.

Advocate for a national early education and care system

In ELAA's [Supplementary State Budget Submission to Victorian Government 2020-21](#) we identified the opportunity that has been created with the establishment of a National Cabinet. National Cabinet has proven to be an effective means of developing cohesive policy responses throughout the pandemic. It has been able to accommodate state and territory differences and also bring a willingness to resolve complex policy issues in a timely way.

We would like to reiterate our call to the State Government to advocate to National Cabinet to reform early childhood policy - a national re-thinking of how early childhood education and care is structured and funded.

There are significant and ongoing issues with the inflexibility of the Child Care Subsidy scheme, and the lack of a formalized commitment to the Commonwealth component of preschool funding undermines its importance in laying the foundations for lifelong learning. Our vision is a new integrated funding model that breaks the link between workforce participation and children's education and development and commits to realizing the potential of every child; a vision which is built on an ongoing commitment to Universal Access

Recommendation:

8. Advocate at National Cabinet for a fully integrated early childhood service system which places children's right to learn and fulfil their potential at its centre, founded and funded on the principle of Universal Access

References

Australian Children's Education and Care Quality Authority 2019 *Workforce Report: Progressing a national approach to the children's education and care workforce* November 2019

Department of Education and Training 2018-19 *Annual Report*

Jackson, J 2021 'Early childhood educators are leaving in droves. Here are 3 ways to keep them, and attract more' in *The Conversation* 15 January 2021: <https://theconversation.com/early-childhood-educators-are-leaving-in-droves-here-are-3-ways-to-keep-them-and-attract-more-153187> (Accessed 24 January 2021)