

UNICEF Australia submission to the Childcare inquiry September interim report

UNICEF Australia welcomes the opportunity to provide this submission to the Australian Competition and Consumer Commission's Childcare inquiry September interim report.

This inquiry is an opportunity to better realise the enormous and compounding benefits that come with early investment in children, particularly their access to early learning. The compelling return on investment in the early years is now well-understood, it is an investment that makes sound financial and social sense. Intervening early helps shift trajectories for children, placing them on a pathway to healthy wellbeing and development which grows exponentially over their lifetime with the right support.

UNICEF Australia broadly supports the draft findings of the interim report and the intent of the draft recommendations. We call out four key recommendations which we strongly support:

- i. Draft recommendation 1 regarding the key objectives and priorities of our childcare policies;
- ii. Draft recommendation 2 regarding the Child Care Subsidy and placing downward pressure on fees;
- iii. Draft recommendation 4 regarding the early childhood education and care (ECEC) workforce;
- iv. Draft recommendation 5 regarding support for Aboriginal Community Controlled Organisations that provide childcare services.

The objectives and priorities of Australia's childcare policies

The draft recommendation calling for the Australian Government to reconsider and restate the key objectives and priorities of its childcare policies is welcome. With other concurrent reforms in the early years space active including the development of the Early Years Strategy and the Productivity Commission's inquiry into ECEC, we have a wealth of opportunities to get our approach to the early years right, and it's in everyone's best interests that these myriad reforms align.

UNICEF Australia wants Australia to be the best place in the world for children to grow up and access to high quality and affordable ECEC for every child plays a central role in this. However, we know we have some way to go towards achieving this goal - UNICEF's own international research has found that Australia is lagging behind our OECD colleagues, ranking 38th out of 41 countries for access to ECEC.ⁱ We believe the ultimate objective of our childcare policies should be achieving universal access to high-quality education and care in Australia, bringing with it the numerous benefits that children and society more broadly will enjoy which are now well-understood.

The Child Care Subsidy and downward pressure on fees

UNICEF Australia welcomes the recommendation to review the efficacy of the Child Care Subsidy including the potential removal of the activity test. The current activity test is contributing to at least 126,000 children and families from low income households missing out on ECEC.ⁱⁱ Research from the Australian Institute of Family Studies has shown that the activity test is negatively impacting low-income families, First Nations families, single parents and families from non-English speaking backgrounds, more than other cohorts.ⁱⁱⁱ In terms of workforce participation, the test creates uncertainty for parents in casual employment due to the risk that they will not meet requirements and be left with over-payment debts.^{iv}

No family should go without ECEC, and removal of the activity test as a matter of priority would ensure greater access to ECEC for low-income families, improved participation from parents dissuaded from working because of the risk of

incurring debts, and reduced red tape and improved efficiency.^v For children, evidence shows that children experiencing the most disadvantage and vulnerability benefit the most from access to ECEC, with two years of early learning before school helping to bring their development and school readiness outcomes in line with their peers across literacy, numeracy and social and emotional wellbeing.^{vi}

We similarly welcome the provisions within draft recommendation 2 aimed at placing downward pressure on childcare prices and fees. Combined with the removal of the activity test, our hope is these measures will make ECEC more affordable, and therefore accessible, for those who need it most.

The early childhood education and care workforce

The attraction and retention of the ECEC workforce is one of the key challenges facing the sector so we welcome the intent of draft recommendation 3 to consider how it can be addressed. The challenges facing the ECEC workforce are now well-understood. The mostly female workforce faces low pay, under-investment in skills development, and high staff turnover.^{vii} As well as retention, the supply of staff is a real pinch point, with tens of thousands of new educators needed just to meet the additional demand created by the Government's welcome Cheaper Childcare changes,^{viii} in addition to the new educators required to meet the ambitions of states and territories who have announced a commitment to universal early learning from age three.^{ix}

Just as the workforce challenges are well known, so too are a number of proposed solutions to address them.

Dandolopartners in their early years policy series have identified a series of ideas to investigate including:

- funding models that require ECEC providers to provide adequate wages and consistent conditions and reduce the pay gap between ECEC teachers and primary teachers;
- industrial reforms to create better career pathways and progressions, including specialisations in early education in areas like literacy, leadership, and business management;
- innovation around job design including the role that employers can play in creating supportive workplaces, for example, establishing roles like business managers and resourcing educational leaders.^x

Thrive By Five also has a broadly endorsed ECEC Workforce Action Plan which calls for immediate pay rises comparable to school educators, longer-term workforce planning through investment in TAFE and universities, and accelerated pathways to formal qualifications, amongst other initiatives.^{xi} The above solutions should be considered in any attempts to address this pressing issue.

Support for Aboriginal Community Controlled Organisations

The recommendation calling for support for Aboriginal Community Controlled Organisations that provide childcare and additional support services for First Nations children is most welcome. Aboriginal and Torres Strait Islander children are half as likely to access ECEC as non-Indigenous children,^{xii} stressing the need for early years services run by Aboriginal Community Controlled Organisations that are able to provide tailored holistic support, grounded in culture and trauma-informed practice, and capable of responding to the complex needs that children and their families may be facing.^{xiii}

Culturally-safe early education is a key protective factor to ensure the education and healthy development of First Nations children.^{xiv} To this end, funding for a dedicated Aboriginal and Torres Strait Islander community-controlled early years sector continues to be a pressing need.

UNICEF Australia is eager to work with all involved to realise the ambition of these reforms and make our vision a reality. Together we can ensure a greater collective wellbeing for our children, giving them the best start in life, and in the process create a truly transformative and generational change for Australian society.

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- ⁱ UNICEF (2020), *Report Card 16: Worlds of Influence*, <https://www.unicef-irc.org/publications/pdf/Report-Card-16-Worlds-of-Influence-child-wellbeing.pdf>
- ⁱⁱ Impact Economics and Policy (2022), *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*. https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report_FINAL.pdf
- ⁱⁱⁱ Australia Institute of Family Studies (2022), *Child Care Package Evaluation: Final report*. <https://aifs.gov.au/research/research-reports/child-care-package-evaluation-final-report>
- ^{iv} Impact Economics and Policy (2022), *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*. https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report_FINAL.pdf
- ^v Impact Economics and Policy (2022), *Child Care Subsidy Activity Test: Undermining Child Development and Parental Participation*. https://static1.squarespace.com/static/61e32e62c8c8337e6fd7a1e6/t/630de5c741a8de08ad48d593/1661855185396/Undermining+Child+Development+And+Parental+Participation+Report_FINAL.pdf
- ^{vi} Fox, S and 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. https://content.vu.edu.au/sites/default/files/media/two-years-are-better-than-one-mitchell-institute.pdf?_gl=1*sglrr8*_ga*NTM4MTQ1OTU5LjE2ODQ0Njk3MjQ.*_ga_Q1LS42WZC4*MTY4NDQ2OTcyNS4xLjAuMTY4NDQ2OTcyNS4wLjAuMA
- ^{vii} Centre for Policy Development (2021), *Starting Better: A Guarantee for Young Children and Families*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>
- ^{viii} The Parenthood, Submission to the Senate Select Committee on Work and Care
- ^{ix} Department of Education (2022), *Commonwealth welcomes additional funding from Victoria, NSW for early childhood education*, <https://www.education.gov.au/early-childhood/announcements/commonwealth-welcomes-additional-funding-victoria-nsw-early-childhood-education>
- ^x Dandolopartners (2022), *Webinar series: working through the NSW and Victorian early education reforms*, <http://www.dandolo.com.au/webinar-series-early-education-reforms>
- ^{xi} Thrive By Five (2022), *Workforce Action Plan*, https://thrivebyfive.org.au/wp-content/uploads/2022/08/tb5_200722_workforce_plan_A5_digital-1.pdf
- ^{xii} SNAICC (2017), *Ensuring a fair start for our children: The need for a dedicated funding stream for the Aboriginal and Torres Strait Islander early years sector*. <https://www.snaicc.org.au/ensuring-fair-start-children-need-dedicated-funding-stream-aboriginal-torres-strait-islander-early-years-sector/>
- ^{xiii} Australian Child Rights Taskforce (2018), *The Children's Report: Australia's NGO coalition report to the United Nations Committee on the Rights of the Child*. <https://www.unicef.org.au/Upload/UNICEF/Media/Documents/Child-Rights-Taskforce-NGO-Coalition-Report-For-UNCRC-LR.pdf>
- ^{xiv} Australian Child Rights Taskforce (2018), *The Children's Report: Australia's NGO coalition report to the United Nations Committee on the Rights of the Child*. <https://www.unicef.org.au/Upload/UNICEF/Media/Documents/Child-Rights-Taskforce-NGO-Coalition-Report-For-UNCRC-LR.pdf>