

Royal Commission into  
Early Childhood  
Education and Care

# REPORT

South Australia  
August 2023



Royal Commission into  
**Early Childhood Education & Care**

The Royal Commission  
acknowledges the traditional  
custodians of the land that  
is now South Australia and  
respects Aboriginal cultural  
identities, practices and beliefs.

We recognise that Aboriginal  
people have strong and  
continuing connections to their  
traditional lands, cultures,  
heritage and history.

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Early Childhood Education and Care**

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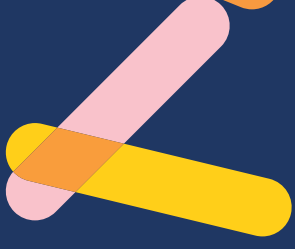
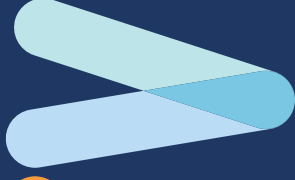
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Royal Commission *into*

**Early Childhood Education & Care**



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## Message from the Royal Commissioner



I had the privilege of growing up in South Australia and attending the public schools in my local area, followed by the University of Adelaide.

Without dedicated school and university staff, including many high-quality teachers, my life would have been a very different one. I never take for granted the debt of gratitude I owe to the education community of this State.

Today's world is very different to the one I grew up in. The pace of change continues to be relentless. However, one truth still endures. Building a great future means investing in children.

The science now tells us that making this investment in the early years pays the biggest dividends. While quality schools still really matter, the way a child grows, learns and develops in the years before school is pivotal. The best start lays the foundations for a better life.

In essence, this Royal Commission report is all about creating that best start for every child. Its recommendations are designed to take our State on a pathway of change towards a future where, guided by the best of science and evidence, South Australia leads on early childhood education and care. A future in which every child can thrive and learn through getting the customised support they need.

A shift this major will take time, policy energy and resources. Ultimately, the State Government will need to weigh the recommendations

in this report and make decisions. Given my own experiences with the multiple demands and complexities of government, I understand and respect these processes.

I am sure in making those decisions, the State Government will be listening to the entire community of South Australia and I urge everyone to get involved in making their views known.

In undertaking the work of this Royal Commission, I have had the delight of meeting and learning from so many people who are passionate about educating and caring for children. My thanks go to each and every person who has taken the time to engage with the Royal Commission. This report has been enriched by your insights.

I have also had the honour of working with a remarkable team of public servants, supporting consultants and other experts. This report would not have been possible without their incredible hard work, wealth of knowledge and wisdom. I want to record my most sincere thanks and admiration for Caroline Croser-Barlow and the team she leads.

To our State Premier, Peter Malinauskas, thank you for asking me to undertake this work and placing your trust in me to do so.

I hereby commend this report to the people of South Australia.

# The Royal Commission's journey—from Interim to Final Report

The Royal Commission released its Interim Report on 17 April 2023.

The full and final suite of recommendations of the Royal Commission are contained in this report, which responds to all of the Terms of Reference and includes areas that were not subject to interim recommendations.

The Interim Report made 33 in-principle recommendations to the State Government on planning and delivering universal preschool for three-year-old children from 2026.

The Commission has received numerous submissions from stakeholders that have helped to shape this Final Report. This report includes all the recommendations from the Interim Report. It details those interim recommendations that remain unchanged and also the way a number have evolved.

# Terms of Reference

By Letters Patent dated 16 October 2022, Her Excellency the Honourable Frances Adamson AC, Governor in and over the State of South Australia, invested the Honourable Julia Eileen Gillard AC with the powers of a Royal Commissioner.

The Terms of Reference require the Commissioner to inquire into and provide a report on the following matters:

- a. The extent to which South Australian families are supported in the first 1000 days of a child's life, focused on opportunities to further leverage early childhood education and care to enable equitable and improved outcomes for South Australian children;
  - b. How universal quality preschool programs for three and four year olds can be delivered in South Australia, including addressing considerations of accessibility, affordability, quality and how to achieve universality for both age cohorts. Consideration of universal three-year-old preschool should be undertaken with a view to achieving this commencing in 2026;
  - c. How all families can have access to out of school hours care at both preschool and primary school ages, including considerations of accessibility in all parts of the state, affordability and quality in public and private settings.
- c. The variable provision of services across rural, regional and remote South Australia;
  - d. The views and experiences of:
    - i. Parents and caregivers from diverse cultural and socio-economic backgrounds with lived experiences of the early years system, including both universal services and services targeted at families with complex needs;
    - ii. Experts in early childhood development;
    - iii. Service providers in the first 1000 days;
    - iv. Leaders in preschool and long day care services in the public, private, and community sectors;
    - v. Unions representing working in early childhood education and care;
  - e. Consideration of the costs and benefits of implementing the recommendations of the Royal Commission, including not just economic benefits but benefits to children, their families and communities and the social fabric of South Australia.

The inquiry into the above matters should include consideration of, but is not limited to, the following matters:

- a. The benefits of increasing workforce participation by parents through improved access to childcare, early childhood education, out of school hours care and more flexible school day lengths;
- b. The importance of workforce capacity and sustaining the ongoing viability and affordability of non-government early education and care services;

# Recommendations

## Recommendation 1

A long-term ambition to help South Australia's children thrive

That the State Government sets a twenty-year goal to reduce the rate of South Australian children entering school developmentally vulnerable, as measured by the Australian Early Development Census, from the current rate of 23.8 per cent to 15 per cent.

## Recommendation 2

### Legislating the Office for the Early Years to lead the early child development system

The State Government should introduce new legislation establishing the Office for the Early Years (the Office) as a steward of South Australia's early child development system, with a mandate to increase the proportion of South Australian children who are developmentally 'on track' when starting school and to reach the goal defined in Recommendation 1.

The legislation should describe an early child development system which includes families, communities, local government, non-government and government providers in health, human services, and early childhood education and care.

It should note the particular role of early childhood education and care as a backbone service in the universal child development system.

It should describe the particular responsibility of the Office to promote the cultural safety of early childhood education and care services for Aboriginal children.

The functions of the Office should be separate from State Government responsibilities for service delivery.

These functions should include:

- establishing and maintaining a child development data system
- ensuring the universal reach of child developmental checks
- building early childhood education and care as the backbone of a universal early child development system
- ensuring universal access to three and four year old preschool, including commissioning new integrated service hubs, developing funding models, and ensuring that preschool providers are connected to the broader early years system
- ensuring supports and services are aligned with needs of children by partnering with non-government organisations, and local and Commonwealth governments
- providing overall strategic direction to State Government early years services (noting operational planning and delivery should remain in current line agencies)
- commissioning or recommissioning State Government services as required.

The governance outlined in the legislation should reflect a cross-sectoral and partnership approach.

## Recommendation 3

### A new national settlement of roles and responsibilities in early childhood education and care

That the State Government seeks a national settlement of roles and responsibilities in relation to early childhood education and care, noting that the Commission's preferred national settlement would see:

- states and territories having primary responsibility for:
  - ⦿ ensuring quality in long day care, preschool and out of school hours care (OSHC); and
  - ⦿ enabling families to be connected to the information and supports they need by building the capacity of early childhood education and care services to form the backbone of an early child development system;
- the Commonwealth having primary responsibility for:
  - ⦿ ensuring that long day care is accessible and affordable for all;
  - ⦿ ensuring preschool for three and four-year-olds in long day care is accessible and affordable for all;
  - ⦿ ensuring out of school hours care, including that provided for preschool aged children in government preschools, is affordable, with service accessibility a shared responsibility given the role of the states and territories in enabling OSHC delivery at government schools and preschools; and
  - ⦿ providing inclusion support in long day care, preschool and out of school hours care, including meeting the needs of children requiring 1:1 support to ensure their health, safety and wellbeing and to encourage active participation in the program.

This new national settlement could be pursued via the National Cabinet's consideration of a National Vision for Early Childhood Education and Care.

## Recommendation 4

### Legislation for a new universal child development data system

That in establishing the Office for the Early Years, the State Government includes the legislative basis for an integrated child development data system that enables:

- families to have a better experience, not needing to retell their stories or be responsible for ensuring all information is passed on
- service-to-service sharing of relevant information about individual children, for the purpose of providing better support
- services to engage in data sharing to support service targeting, planning, evaluation and research population wide, individual level de-identified data for planning, evaluation and research
- communities to meaningfully plan and take action, and engage with governments
- in certain circumscribed cases, population wide, individual level identified data to allow the targeting of services and supports
- all participants—policymakers, educators, service providers—to engage in a process of continuous improvement and reflection
- data sovereignty for Aboriginal people.

Such a system requires rigorous ethical and legal frameworks to ensure that data is used appropriately, and that families are active partners and beneficiaries of the system.

## Recommendation 5

### Actions for the Commonwealth Government

That the Commonwealth Government:

- ensures the State Government has regularly updated access to Child Care Subsidy data to support system design and insight into system-wide participation
- extends changes to the Child Care Subsidy to enable all families to access up to three days a week of care without the need to meet any activity test
- considers adopting a needs-based funding model for early childhood education and care, in recognition of the additional costs of effective inclusion of disadvantaged cohorts
- considers introducing differential pricing in the Child Care Subsidy for younger children with higher educator-to-child ratios
- ensures families of those children accessing out of school hours care (OSHC) located on a special school site are not unfairly financially disadvantaged by the higher costs associated with the provision of care to children with complex needs and disability
- supports an increase in the pay of early childhood education and care educators.

That the Commonwealth Government promptly amends the Child Care Subsidy Minister's Rules 2017 to allow out of school hours services operating on government preschool sites to be eligible for the Child Care Subsidy.

This recommendation is made:

- noting that Royal Commission modelling suggests South Australia currently misses out on approximately \$35.5 million per annum in Child Care Subsidy because it directly provides government preschool
- in light of the commitment made by the Commonwealth on signing the Preschool Reform Agreement to progress this matter
- most importantly, recognising that this facilitates the optimal arrangement for many children—the provision of in situ care on government preschool sites outside government preschool hours.

## Recommendation 6

### Investing in world-class evidence and translation into practice

That the State Government invests on a long-term basis in a leading research institute or consortium of research nodes, which should become central to creating and sustaining an evidence-based early childhood education and care system. The aim of the institute or consortium would be to position South Australia at the forefront of translating new global research insights into practical and deliverable reforms.

The State Government should undertake the following initial research agenda and involve the newly established institute or consortium once it commences work:

- a. Trial, evaluate and continuously improve models of service connection and integration in the early years.
- b. Partner with the Commonwealth to trial *Inklings*, an early intervention program for children at risk of being diagnosed with autism.
- c. Work with the Commonwealth and other partners to fund and trial intensive early intervention in targeted cohorts.
- d. Build the evidence base about how best to engage families of children identified as highest risk to ensure successful engagement across a range of contexts (noting risk is not limited to lower socio-economic areas). This should build on the opportunity identified in the Interim Report to trial different designs of outreach and engagement from 2024.
- e. Trial and evaluate different models of allied health and other support provision (for example, small group versus educator capability building) in early childhood education and care, with a view to continuously improving the offerings.
- f. Build the evidence base of the:
  - impact on attendance and outcomes of the current delivery model of the universal preschool entitlement of 15 hours each week over three days for 40 weeks, versus two days with longer hours, with a view to considering whether 15 hours is the appropriate use of government preschool hours at age three or four if clear evidence emerges
  - best method of targeting additional hours/days for children who require additional support at age three or four
  - impact of consecutive days on attendance and outcomes
  - impact of consistent groupings on outcomes
  - impact of transitioning between different settings in a child's daily life
  - benefit of two years of preschool with a stable cohort
  - relationship between workforce consistency and quality over time.



## Recommendation 7

### Improving the functioning of the Education Standards Board

That the State Government ensures sufficient resources are available to the Education Standards Board (ESB) so that every early childhood education and care provider is assessed and rated at least every three years.

That the State Government appoints an independent change management panel to support the reform agenda of the Education Standards Board.

This panel should comprise experts in change management and comparable regulatory functions who are appointed for up to two years to work with the Education Standards Board and its Registrar to:

- build capacity across the legislated functions of the Education Standards Board
- ensure the Education Standards Board clears the backlog of services that have not been assessed and rated in the last three years
- establish a benchmark timeframe for assessments and systems to ensure the benchmark is met
- introduce or improve the internal quality review function to understand how well the Education Standards Board operates the assessment and rating approach, to improve the consistency of assessments and ratings by Authorised Officers and to benchmark against interstate regulators
- improve interactions with services that are rated as 'Working Towards' the National Quality Standard or having issues with noncompliance
- position the Education Standards Board as the first point of contact for services with quality or regulatory questions
- review the recruitment processes for Authorised Officers to ensure the right skills are prioritised and that new officers receive sufficient induction, shadowing and mentoring.

## Recommendation 8

### Connecting services in the early years

That the State Government promotes a vision of place-based, responsive and connected service delivery in the early years. This should include:

- a. creating regular opportunities for connection ('the glue') between different service providers working with families with young children in local areas, leveraging the local teams for implementing three year old preschool in Recommendation 16
- b. making integrated services the default for all newly established State Government early years services, including preschools and schools, community health, parent and infant mental health and parenting supports, with variance from the default only occurring because of the needs of the local community
- c. integrating into the normal process of maintenance and upgrade the creation of appropriate physical space for integrated or multidisciplinary work in State Government early years services which lack such facilities
- d. identifying and sharing the most effective and cost-efficient models of supporting service connection and integration, both when services are co-located and when they are not. This could include, for example, trialling linkage models, community navigators and different governance approaches to co-located services
- e. building a community of practice for integrated service provision, drawing on the strengths of the existing Children's Centres network, and building out to include non government providers and different service types.

## Recommendation 9

### State Government proactive role in identifying and resolving questions of child care and OSHC accessibility

That the State Government plays a proactive role in identifying and resolving questions of child care and out of school hours care (OSHC) accessibility, including:

- a. negotiating with the Commonwealth to reach the new national settlement described in Recommendation 3
- b. as detailed in Recommendation 10 in relation to child care:
  - taking action itself in order to meet critical needs, with such changes viewed as models which can provide an evidence base for the intergovernmental negotiations
- c. once a new national settlement has been reached which encompasses the Commonwealth meeting access and affordability needs, continuing to provide the needs identification and supply support roles as detailed in Recommendation 33 taking ongoing action in relation to OSHC accessibility.

## Recommendation 10

### State Government actions to support child care accessibility

That the State Government’s proactive role in identifying and resolving questions of child care accessibility should include as continuing activities:

- a. a clear definition of the current role for State Government in resolving undersupply
- b. funding business cases for communities with no access
- c. providing a clear description of options for communities seeking to set up new services in areas with limited supply
- d. regular provision of supply and demand information by Infrastructure SA
- e. reporting against a benchmark performance indicator of two years from identification of the need for a new facility in an area meeting a specified threshold of demand, to its successful establishment
- f. sharing existing government facilities (for example, school sites) to support establishment of new services
- g. governance and administrative support for volunteer committees setting up local, community managed not-for-profit services

- h. support for innovative service models, such as ‘in-venue care’ or shared corporate services support for community-managed not-for-profits
- i. targeted strategies to support localised workforce development (see also Recommendation 22).

While negotiations with the Commonwealth are ongoing, the State Government should consider direct provision or procurement of services in some circumstances, including through the expansion of rural care or potentially associated with commissioning three-year-old preschools or integrated children’s centres, with a clearly articulated and transparent policy for when the State Government will provide services directly.

Further, the State Government could consider a range of other actions to meet critical need and demonstrate new models of action, such as:

- support for family day care educator establishment, through small business grants or onboarding
- provision of concessional financing to support capital for a new service or expansion of an existing service
- provision of capital funding and/or land to support establishment of a new service or expansion of an existing service
- procurement of a provider for a new service.

## Recommendation 11

### Child development checks

- a. That the State Government task the Premier's Delivery Unit to work with the Office for the Early Years and the Child and Family Health Service (CaFHS) to ensure a successful expansion of the system of universal child development checks, including both the frequency of checks and achievement of the maximum possible participation.
- b. That, as part of this work, the timeframe for connecting parents and carers to early parenting groups is monitored and reported, with consideration given to an 'opt out' rather than 'opt in' model to ensure universal provision.

## Recommendation 12

### Giving parents and carers information and supports for child development

That the State Government continue and expand its support for Words Grow Minds, which provides simple and consistent messaging to parents of young children about how best to support their child's development in the first 1000 days, delivered through a variety of channels.

That the State Government develop and engage in a communications campaign with families and communities on:

- the importance of preschool
- the new three-year-old preschool program
- how to find a preschool program
- how to understand and assess quality at your preschool.

This could start ahead of the roll out of three-year old preschool, with additional layers of content closer to 2026.

*This recommendation responds to the Interim Report Recommendation 21 seeking feedback in relation to a 'kindy tick' program.*

## Recommendation 13

### Leveraging early childhood education and care in the first 1000 days to reduce developmental vulnerability

That the State Government leverage early childhood education and care provision to meet its long-term aspiration of reducing developmental vulnerability.

Noting this is an area of shared responsibility with the Commonwealth, and that the roles and responsibilities may change, this should include:

- a. designing ‘the glue’, as envisaged in Recommendation 8, to promote opportunities for sharing and learning about evidence-based approaches to successful inclusion, and to enable developmental concerns identified in long day care, family day care or other services to be the subject of ‘warm referrals’ to the right service provider
- b. in operationalising Recommendation 11, ensuring there are linkages and exchanges between the Child and Family Health Service (CaFHS), other development check providers, and early childhood education and care services to share knowledge about emerging developmental trends
- c. closing the research translation gap by sponsoring on-demand, cost-free access to expertise on areas of particular interest, such as neurodevelopment, autism, attachment, trauma, complex behaviours or complex communication difficulties
- d. providing free training for early childhood education and care services on the newly released *National Guideline for supporting the learning, participation and wellbeing of autistic children and their families\**
- e. initiating formal processes to monitor participation and attendance of vulnerable cohorts once the measures discussed above to streamline ‘the paperwork’ burden on staff and services are addressed
- f. when the State Government is in a position to assess the outcomes of the Inclusion Support Program (ISP) review, considering additional investments in building the capability of services to successfully include children with additional needs, including those with disability, neurodiversity or impacted by trauma
- g. sharing relevant knowledge, best practice and training materials on inclusion with out of school hours care (OSHC) providers and staff who are also facing the challenge of offering services which can be open and welcoming to all
- h. facilitating community liaison programs for ongoing connection between early childhood education and care services and locally relevant cultural and linguistic groups, noting this could be an appropriate use of inclusion funding by services.

\* Autism CRC, *National Guideline for supporting the learning, participation, and wellbeing of autistic children and their families in Australia*, 2022.

## Recommendation 14

### Strengthening the Aboriginal Community Controlled Organisation sector

That the State Government work with the South Australian Aboriginal Community Controlled Organisation Network (SAACCON) to develop detailed plans for commitments made in relation to early child development under South Australia's Implementation Plan for the National Agreement on Closing the Gap.

That the State Government leverages its increased investment in preschool to strengthen the Aboriginal Community Controlled Organisation (ACCO) sector. This could include:

- prioritising ACCOs in the commissioning of new integrated service hubs to deliver three-year-old preschool, where appropriate, for the community
- quarantining a portion of preschool funding for layered supports for ACCOs to partner with services on improving cultural safety.

## Recommendation 15

### Implementing universal three-year-old preschool

That universal three-year-old preschool be delivered through the following mix of provision from 2026:

- Three-year-olds already in long day care receive their preschool through their existing setting.
- Three-year-olds who are not in long day care, or who are in a long day care that is not offering a preschool program, are able to access preschool in government preschool.
- In areas of high developmental vulnerability, there is place-based commissioning of integrated service hubs.

In the first instance, the State Government should only offer places in government preschools to those children who are not currently attending early childhood education and care (or whose service is unable to offer a preschool program, for example because they do not have an early childhood teacher on site), or to those children requiring additional hours of support (per Recommendation 25).

The State Government may wish to review this mix of provision once universal coverage is achieved, early childhood teacher workforce shortages have been ameliorated, Commonwealth Government child care funding arrangements are known and government preschools have implemented models providing more flexible hours of access.

This review could consider whether to phase in a universal guarantee of a place for every three-year-old in a government preschool, similar to that which exists at age four.

*This recommendation has been updated to identify the conditions which should be met prior to consideration of a universal guarantee of a place in a government preschool.*

## Recommendation 16

### Implementing universal three-year-old preschool—local implementation teams

Delivery of universal three-year-old preschool should be through locally based implementation teams. These teams will:

- work with local government, communities and non-government social service providers to commission 1000 new places for highly vulnerable children
- work with long day care and government preschools to ensure cost-efficient creation of new spaces in areas of undersupply (for example, through minor capital works)
- work with long day care and government preschools to consider local workforce solutions
- ensure funding provided for additional services and connection to the system in long day care is used effectively, and that the State Government gets the value of this investment
- translate the evidence of best practice in preschool delivery, as it emerges, through the entire early childhood education and care sector.

## Recommendation 17

### Implementing universal three and four-year-old preschool—supporting high-quality teaching

That the State Government provides access to the following supports and resources in all settings that deliver preschool:

- a. evidence-based tools for improving pedagogical approaches
- b. curriculum material for use in three and four-year-old preschool, noting that engagement with the resources should be part of the State Government's funding agreement with non-government services
- c. professional learning for early childhood educators and teachers on early child development
- d. funding to support access to professional learning (including release time) and sufficient planning time for early childhood teachers.

*Note that this recommendation has been updated to refer to the State Government 'supporting access' to professional learning, rather than necessarily developing it itself, reflecting that a range of suitable professional learning opportunities exist.*



## Recommendation 18

### Implementing universal three-year-old preschool—parent fees in different settings

That, noting the Commission’s recommended preschool delivery model does not generally provide parents with children in long day care with the choice of government preschool at age three, and to ensure fairness between families, the State Government should consider the question of fee relief for three-year-old preschool as follows:

- a. The State Government should be proactive in the national policy discussions around early education and care and strive to get a national settlement of roles and responsibilities which has affordability issues, including for preschool, as the preserve of the Commonwealth.
- b. When the Commonwealth policy settings are known, which is anticipated to be prior to the commencement of three-year-old preschool in 2026, the State Government should consider whether any form of broad fee relief for families accessing preschool other than in government preschools is appropriate.
- c. As a design principle for any broad fee relief scheme, the Commission recommends the State Government ensures families with more financial resources and who are accessing higher fee services do not benefit disproportionately.
- d. Irrespective of the answer the State Government reaches under (b) above, a targeted fee relief scheme should be available for disadvantaged families or families facing a sudden change in financial circumstances in all preschool settings.
- e. As part of its consideration of this targeted fee relief scheme, the State Government should review fee arrangements for government preschools for three and four year olds to ensure that services are not disadvantaged by non-payment of fees by families.

## Recommendation 19

### A new State Government funding model for preschool and integrated early years service delivery

- a. That the State Government consults with providers across all sectors to develop a new funding model for preschool, covering both three and four-year-old delivery and government and non government settings. The new funding model will support the increased expectation of, and support for, preschool outlined by this Royal Commission. The new funding model for both three and four-year-olds should include:
  - funding that is sufficient to meet professional learning and release time requirements for early childhood teachers
  - loadings (or equivalent service provision) for the provision of layered supports to children in the service who are likely to be developmentally vulnerable and/or need additional support
  - support for outreach and indirect cost reduction in areas of high vulnerability (see Recommendation 20).
- b. As part of commissioning new integrated services, the State Government should consult with providers on a resourcing model to ensure adequate funding is provided for their successful operation. Note that these services will not necessarily be led by the South Australian Department for Education.

*This recommendation has been updated to include the need to review the adequacy of the funding model for four-year-olds for government preschools, with particular reference to inclusion supports.*

## Recommendation 20

### Ensuring universal uptake of three and four-year-old preschool

- a. That, to support universal participation in preschool, the State Government should invest in the following in areas of high vulnerability:
- support to services for indirect cost reduction (for example, transport), where required, to enable economically disadvantaged families to have their child attend
  - investment in services to support community outreach in areas with a lack of connection to early childhood education, as well as support communication.

(To be clear, this investment should include government preschools, as well as preschool programs delivered in long day care settings and non-government preschools provided they meet the first three conditions specified in Recommendation 21. Note that this is in addition to fee relief recommended in Recommendation 18(d).)

In addition:

- b. The Office for the Early Years should conduct an annual reconciliation of enrolment data from all available sources (including Commonwealth Child Care Subsidy records referred to in Recommendation 5) against other State Government records to identify where children have not enrolled in preschool. This data should be published at a regionally disaggregated level to enable local planning and community engagement.
- c. The Department for Education should review its policy approach to redirecting enrolments in areas of socio-economic disadvantage when a local government preschool is at capacity to ensure the alternate options identified can be accessed by families.

## Recommendation 21

### Investing to grow capacity in quality preschool settings

That the State Government support for additional capacity through investment in capital works (minor or major) be predicated on the nature and quality of the early childhood education and care system it envisions. Investment in additional capacity should prioritise services that:

- meet or exceed National Quality Standard ratings
- can demonstrate investment in workforce (for example, through staff retention / low turnover, support for quality professional learning)
- have a demonstrated ability to enrol children from hard-to-reach or vulnerable communities
- are operated by a community management committee, making it less likely the service has been able to access capital.

## Recommendation 22

### Establishing an Early Childhood Workforce Fund

That the State Government commits \$14 million per year to an Early Childhood Workforce Fund.

- The purpose of the Fund will be to increase the supply of the early childhood education and care workforce, with a particular priority on ensuring sufficient workforce for the delivery of universal three-year-old preschool.
- While the Fund is intended to be ongoing, the annual allocation will be subject to review after four years of operation.

## Recommendation 23

### Appointing an Early Childhood Workforce Coordinator General

That the State Government establishes the role of Early Childhood Workforce Coordinator General in the Office for the Early Years to:

- a. work across the sector and relevant government agencies and statutory authorities to undertake early childhood sector-wide workforce planning, including taking note of the current workforce profile and risks, including
  - regularly compiling data from the Teachers Registration Board and the Education Standards Board to understand the distribution of less than fully qualified teachers across all services
- b. drive workforce-related recommendations arising from this Royal Commission, notably in relation to the registration of specialist birth-to-5 early childhood teachers with degrees accredited by the Australian Children's Education and Care Quality Authority (ACECQA) (see Recommendation 24)
- c. drive delivery of initiatives funded from the Early Childhood Workforce Fund, including
  - working with the sector and universities around scholarships, pathways, accelerated pathways and paid placements
  - working with the sector and vocational education and training (VET) providers, in particular TAFE and technical colleges, around fee-free early childhood qualifications and paid placements
  - working with the sector on initiatives to support local workforce attraction (for example, in disadvantaged or regional communities) and innovative models of soft entry into workforce and pathway development (for example, those being trialled by Gowrie SA or developed by the Front Project)
- d. publicly report progress against delivery of workforce supply targets in relation to three year old preschool.

In line with the Royal Commission's vision for South Australia as being at the forefront of developing ideas about what works, it is intended that the Early Childhood Workforce Fund will support trialling and monitoring different approaches, with a view to ensuring the most effective and efficient suite of activities.

## Recommendation 24

### Early childhood teacher—qualifications

- a. That the State Government promptly amends the Teachers Registration and Standards Regulations 2021 to allow teachers to be registered as early childhood teachers if they hold a degree certified by the Australian Children’s Education and Care Quality Authority (ACECQA).

That the registration of teachers holding an ACECQA accredited three-year birth-to-5 degree will be held on a separate register from teachers holding a four-year Australian Institute for Teaching and School Leadership (AITSL) accredited qualification.

- b. The State Government should consider commissioning an independent early childhood expert review comparing the ACECQA accreditation standards with the AITSL standards, in light of best practice in early childhood education.

## Recommendation 25

### Additional hours of three and four-year-old preschool—short-to-medium term

That, in the short-to-medium term, the State Government provides up to 30 hours of preschool in the two years before school to around 1000 children in each year level who are identified as being at greatest risk of developmental vulnerability.

Eligible children should be identified using the best available insights from analysis of linked datasets. In terms of the location in which they receive their entitlement:

- Primarily, these children should receive their additional hours through newly commissioned integrated service hubs, per Recommendation 15. Locations for these centres should be chosen on the basis of high developmental vulnerability to ensure strong coverage of the eligible children.
- Eligible children could also receive their additional hours through utilising spare capacity in government preschools.
- Eligible children could also receive their additional hours through preschool programs offered in long day care or non-government preschool services.
- In any event, the State Government should ensure that cost is not a barrier to participation in the additional hours.

That, as part of the roll out of additional hours to children at highest risk of developmental vulnerability, the State Government should continue to refine the data infrastructure and analysis to target additional supports to children at greatest risk of developmental vulnerability.

## Recommendation 26

### Additional hours of three and four-year-old preschool—long term

That, over the longer term, the State Government expand eligibility for additional hours of preschool to a greater number of children at high risk of developmental vulnerability.

This should be considered as part of a suite of strategies to meet a long-term aspiration of reducing the rate of South Australian children entering school developmentally vulnerable to 15 per cent in twenty years (per Recommendation 1).

## Recommendation 27

### Alternative learning models for three-year-olds in communities with very low rates of preschool enrolment

That the State Government commits to co-designing and rigorously evaluating a small number of alternative early learning models for three-year-olds in specific communities where there are very low rates of enrolment in a traditional four-year-old preschool program.

Noting this may change with the national settlement regarding responsibilities, these programs should be funded at a rate of approximately \$11,500 per child (indexed and based on current per child cost of providing government preschool).

Rigorous evaluation is required, and models and service providers may change with evaluation. However, ongoing funding should be allocated to the overall program on the basis of an assumed rate of uptake in specified communities.

These programs should be eligible for capital investment in line with established criteria for investment in early childhood education and care services.

Among others, the following elements should be considered in the co-design process:

- that programs are designed with input from expert early childhood teachers
- that programs are delivered by organisations with existing connections to the community
- that programs include a workforce drawn from the local community, without requiring formal qualifications on entry to the workforce (though people may be supported to engage in a formal pathway over time)
- that programs include incentives to families to support their engagement
- that programs support connection to the broader education system, including schools.

Communities should be selected on the basis of very low rates of access to traditional four year old preschool programs.

Children who are enrolled in these programs would be eligible to transition to a traditional four-year-old preschool program or continue in this program.

*Note that this recommendation has been updated to explicitly include the involvement of early childhood teachers in program design, and to consider the connection to the broader education system, including schools.*

## Recommendation 28

### Connecting children at child protection risk to early childhood education and care

That the State Government takes an active role in connecting the families of children at child protection risk to early childhood education and care.

This could include:

- developing referral pathways for children identified as being at risk, including from the Child and Family Support System, as well as other early years service providers who identify children in particular need
- identifying appropriate early childhood education and care services for at-risk children in a particular area, and where no appropriate services exist with the capability to work with at-risk children, working intensively with local providers to build capability
- progressively introducing funding for the costs of engagement, outreach and additional supports (as recommended for preschool in the Interim Report) for enrolled children who are identified as being at risk.

## Recommendation 29

### Preschool outcomes measurement

That the State Government seeks to actively shape the emerging national approach on preschool outcomes measurement, including, in accordance with the vision of South Australia being a leader in early childhood education research, volunteering to be involved in any trials or pilots.

The State Government should advocate that the measurement approach supports two objectives: understanding and gathering information on early childhood investments at a population level; and supporting teachers and services to ensure they can support a child's progress and monitor quality improvement of their practice.

The State Government should also require that the results of outcomes measurement are not published at a service level and should not be used in funding or regulatory decision making processes relating to individual services. Objective quality measures (such as the National Quality Standard) should be published and used for the purpose of community choice and for government decision-making.

The State Government should press for nationally agreed outcomes measurement being available in time to be embedded in the roll out of three-year-old preschool from 2026.

If intergovernmental processes do not acquit the above outcomes, South Australia should design and adopt its own preschool outcomes measures.

## Recommendation 30

A focus on improving services that are ‘Working Towards’ the National Quality Standard

- a. That the Office for the Early Years introduces additional supports for services providing preschool programs that are Working Towards the National Quality Standard. This should include:
  - both government and non-government services
  - working with the Education Standards Board to ensure that action is taken for consistent non-achievement of the National Quality Standard by services providing preschool programs.
- b. That the Department for Education introduces additional supports for out of school hours care (OSHC) services on government sites, including third-party providers, who are Working Towards. This should include:
  - working with the Education Standards Board to ensure that action is taken for consistent non-achievement of the National Quality Standard by government OSHC services.

*Note that this recommendation has been updated to include working with both government and non-government preschool services which are Working Towards the National Quality Standard.*

## Recommendation 31

Implementing universal three and four-year-old preschool—the role of diploma qualified educators

That in the period prior to universal achievement of three-year-old preschool, while teacher workforce supply is being developed, the State Government trials different configurations of early learning programs delivered by diploma qualified educators (for example, with practice supervision, additional professional learning, different ratios, coaching), reviews the quality of practice and rigorously assesses the different outcomes.

Such trials should only be undertaken in services that have not been able to secure an early childhood teacher for delivery of the program.

*Note that this recommendation has been updated to include a proviso that the trial should only occur in services where there is no early childhood teacher available to deliver the three-year-old program.*

## Recommendation 32

Aboriginal three-year-old preschool

That the State Government listens to the Aboriginal community, including through South Australia’s First Nations Voice to Parliament, the South Australian Aboriginal Education and Training Consultative Council, the South Australian Aboriginal Community Controlled Organisation Network and other relevant bodies, about how to ensure that Aboriginal children retain and increase the benefits from three-year-old preschool.

The State Government should ensure that any codesign of preschool for three-year-old Aboriginal children is based on an ongoing guaranteed funding commitment equivalent to that which supports preschool entry for Aboriginal three-year-old children (currently around \$10.8 million per annum).

This commitment would be over and above other State Government funding arrangements for three-year-old preschool and any community-specific early learning models that are established.

## Recommendation 33

### Improving access to government school OSHC

That the State Government, through the Department for Education, should take the following steps to improve access to OSHC on government school sites:

- a. developing a repeatable process for undertaking supply and demand analysis for government OSHC services, including regular (at least every two years) publication of areas of unmet demand for government OSHC (this could be modelled on the process used by the New South Wales Government)
- b. ensuring all supply and demand analysis targets testing of demand from families of children with disability (for example, by surveying families of students in special settings)
- c. immediately putting out to tender the provision of OSHC on any site with a level of unmet demand and that is considered financially viable
- d. auditing existing OSHC services within an area of unmet demand to understand constraints on expansion and, if space is a key constraint, prioritising funding within the capital program (per Recommendation 34)
- e. simplifying and streamlining the Department for Education procurement process to make it faster to establish government school OSHC services
- f. updating Department for Education policy to provide guidance around limited circumstances where schools can provide financial support to OSHC services (for example, to support the wellbeing and participation of vulnerable cohorts), noting that in general it remains inappropriate to expend funds provided for education on OSHC
- g. providing administrative support to establish financially viable alternative models of OSHC provision in areas of unmet demand where financial viability of traditional services is more challenging. This includes 'hub and spoke' and shared transport arrangements (where appropriate, this should incorporate non-government school services to participate on a shared cost basis)
- h. where significant demand remains after consideration of alternative models, providing financial grants to support establishment of a government school OSHC service, or to enable expansion of an OSHC service to a point of viability. Clear funding guidelines would be required to facilitate this
- i. consistent with the approach in Recommendation 10, providing OSHC directly in some circumstances, and also ensuring there is a clearly articulated transparent policy for when the State Government will provide services.



## Recommendation 34

### Making space for government school OSHC

That the Department for Education's capital works program includes establishing and expanding appropriate facilities for government school OSHC services in areas of identified demand. Regional and remote communities should be a priority for growth initiatives.

Ensuring fit-for-purpose OSHC facilities should be integral to the design of new schools, as well as major school redevelopments.

## Recommendation 35

### Modernising OSHC qualification requirements

- a. That, consistent with other jurisdictions, the State Government introduces a two-tier qualification requirement for OSHC, with the first qualified position to be filled by an educator with an approved qualification, and subsequent educators that are required to meet the qualified educator ratios able to hold a certificate III or IV, or higher, in education, care or disability.
- b. That the State Government continues to expand and improve the flexibility of the qualifications list for the first qualified OSHC educator position. In the first instance, this expansion should include holders of a Certificate IV in Out of School Hours Care with appropriate knowledge, history (such as practical experience) and understanding to effectively supervise and manage a service.

## Recommendation 36

### Supporting principals to deliver sustainable government school OSHC

The Department for Education should recognise the additional workload and accountability for school leaders associated with having a government school OSHC service, through:

- a. ensuring the additional responsibility is adequately reflected in the school principal role statement and is considered when determining principal classification levels
- b. the provision of dedicated leadership and administrative support time to each school with an onsite OSHC service
- c. specific induction and training for school leaders to undertake their roles and responsibilities, including the need to:
  - respectfully share spaces and incorporate the spatial needs of OSHC in school planning
  - improve the integration and support of the OSHC workforce in the broader school workforce as far as practicable, including by incorporating OSHC staff in relevant professional development and potentially rostering school services officers (SSOs) to assist the transition to OSHC or to facilitate their separate employment at OSHC should they choose to also work in that setting.

## Recommendation 37

### Ensure a fit-for-purpose regulatory approach to OSHC

That states and territories and the Commonwealth Government follow through on their commitment to review the National Quality Framework assessment and rating process for OSHC, noting this commitment was made in response to the 2019 National Quality Standard Review.

## Recommendation 38

### Change the approach to OSHC delivery on government sites—from governing council to third-party provider led

That the default position for government school OSHC service provision should be third-party provision contracted by the Department for Education, with appropriate local parent input.

Governing councils should be able to establish or continue operating services if they wish, or directly contract third-party providers, in the absence of identified quality concerns.

A program of proactively supporting governing council-led OSHC services to transition to third-party provision should be instituted.

## Recommendation 39

### Increase central Department for Education support for government OSHC provision

The Department for Education should invest in improving existing corporate arrangements in relation to OSHC, including by:

- a. directly managing the contracts of third-party providers on school sites
- b. improving the quality and efficiency of contract management
- c. providing system-wide oversight of quality and performance of government school OSHC services.

## Recommendation 40

### Planning and specialist support for inclusion at government school OSHC

That the Department for Education ensures school staff, as well as expert supports such as Student Support Services, consider a child's participation in government school OSHC when developing inclusion plans. The Department should include OSHC educators in professional development, scheduled at appropriate times given OSHC work patterns, to support the individual needs of children with disabilities and complex behaviours.

This may include improving arrangements for sharing of appropriate spaces, per Recommendation 36, above.

## Recommendation 41

### Provision of OSHC at special schools

That the State Government reviews the Victorian High Intensity OSHC model and considers its application to special school sites in South Australia, with a view to improving access to OSHC for children in special schools within a three year timeframe.

## Recommendation 42

### Partnering with the National Disability Insurance Agency

That the State Government works closely with the National Disability Insurance Agency, the Commonwealth Department of Education and the Commonwealth Department of Social Services to partner on trialling different models of making government OSHC services more inclusive and accessible, and compatible with NDIS (National Disability Insurance Scheme) service delivery.

## Recommendation 43

### Find the right model for preschool OSHC, or ‘wrap around care’, on government preschool sites

That the State Government trials and evaluates a range of three and four year old preschool OSHC delivery models on government preschool sites, with a view to finalising models to be rolled out progressively across government preschools from 2025.

This trial should include different communities and service settings in 2024, including the Department for Education:

- operating preschool OSHC as the approved provider (similar to rural care)
- contracting for third-party provision of preschool OSHC
- supporting family day care ‘in-venue’ provision.

The evaluation should indicate to government:

- guidelines and considerations for establishing a preschool OSHC
- the additional supports required for preschool directors and staff to implement the model
- the advantages and disadvantages of different service delivery models in particular contexts
- regulatory amendments for consideration, such as the ACT model of permitting a diploma qualified lead educator, or some adjustments to the documentation of the educative planning cycle for consideration
- issues of viability.



# Executive summary

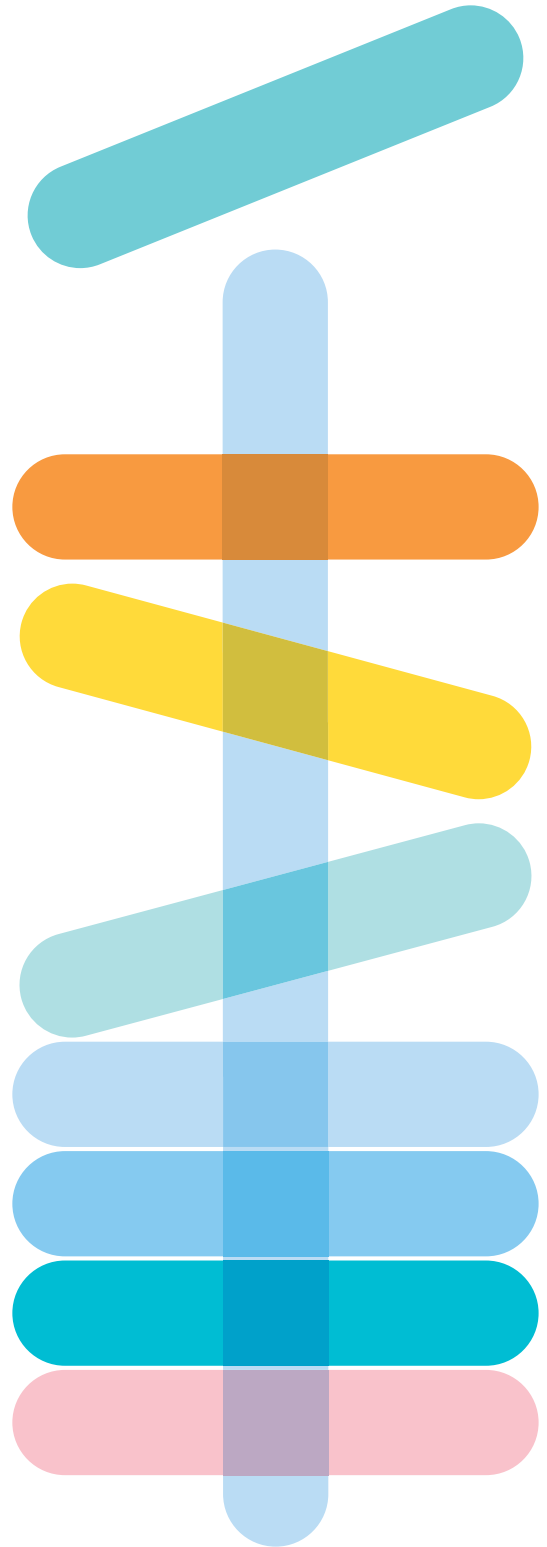
# Executive summary

In this report, the Royal Commission into Early Childhood Education and Care makes 43 recommendations to the South Australian Government.

It is the Royal Commission's ambition that all children in South Australia receive the best start in life. This Final Report sets out the pathway for South Australia to become a nation leader in early childhood development through a variety of measures.

The report provides recommendations on:

- how supports are best delivered to families and children from before birth through to the first 1000 days of life
- the recommended pathway for delivery of universal access to preschool for all three and four-year-old South Australian children
- how to increase the availability and accessibility for out of school hours care services in both primary and preschool settings.



## Findings

The report's recommendations aim to create a robust early childhood education and care system in South Australia, with significant investments in quality to underpin a universal, effective and enduring system.

However, a universal system does not mean a system that is uniform.

The Commission has been deliberate in making recommendations that target support where it is most needed. This is referred to in the report as progressive universalism, which can be defined as the capacity of a universal service delivery platform to 'ramp up' the intensity or nature of services to meet the needs of those for whom a standard service is not enough.<sup>1</sup>

Across all parts of the South Australian community, the number of children with developmental vulnerability is growing.



Our understanding of developmental vulnerability is based on data collated by the Australian Early Development Census (AEDC) every three years. This is a nation-wide data collection about the development characteristics of children in their first year of full-time school. The data is collected in five key areas of early childhood development:

- Physical health and wellbeing
- Social competence
- Emotional maturity
- Language and cognitive skills
- Communication skills and general knowledge.

A child who is deemed developmentally vulnerable is in the lowest 10 per cent of their cohort, when their progress is considered against at least one of these five domains. Developmental vulnerability means children are more likely to perform poorly at school. The more domains on which children are vulnerable, the more likely they are to struggle with key areas of learning.<sup>2</sup>

In South Australia, nearly 1 in 4, or 23.8 per cent of children, are developmentally vulnerable on one or more domains.

There is developmental vulnerability in all socio-economic groups, with evidence of growing vulnerability in higher socio-economic groups in South Australia. If left unaddressed, this vulnerability can undermine a child's lifetime trajectory. Early intervention in the years prior to school can be effective in reducing vulnerability.

<sup>1</sup> Australian Institute of Family Studies *The public health approach to preventing child maltreatment*, 2016, available at [The public health approach to preventing child maltreatment, Australian Institute of Family Studies \(aifs.gov.au\)](https://www.aifs.gov.au)

<sup>2</sup> The Front Project (2022) *Supporting all children to thrive: The importance of equity in early childhood education*, the Front Project, p 10.

## Part one: A nation-leading early childhood development system

Improving outcomes for South Australian children requires a holistic approach across the entire early child development system.

There are five key elements in a successful early child development system: prenatal care and maternal and child health care (including home visiting); paid parental leave; parenting supports; early childhood education and care; and wrap around health and social services to support families with greater needs.

Within South Australia, as elsewhere in the nation, the Commission found evidence that these systems operate as a patchwork of poorly connected government and non government services.

The Commission's recommendations provide a roadmap for the South Australian Government to draw together the current fragmented early years landscape and build a nation-leading early childhood development system.

The Commission finds that a 'system steward' needs to be appointed. That is, a government entity must be empowered to set the vision and purpose for the overall system, as well as maintaining system rules to work towards this goal.

To galvanise action, the Commission has recommended the State Government sets an ambitious twenty-year goal of reducing the proportion of South Australian children who are developmentally vulnerable from 23.8 per cent to 15 per cent by 2043 ([Recommendation 1](#)).

This goal should be the animating purpose of a newly empowered Office for the Early Years ([Recommendation 2](#)). The Office for the Early Years should be given a legislative mandate to provide strategic direction across the State Government in health, human services, and education and care in the early years. This mandate should also give the Office for Early Years the levers it needs to connect with and align the work of a vast array of not-for-profit and for-profit providers of services to children and families, particularly those offering child care.

The Commission has found that a lack of comprehensive child development data is holding South Australia back, and there is an opportunity to accelerate the translation of research into practice in the early childhood development space.

As such, the Commission recommends creating a new universal child development data system and launching an ambitious world-class research agenda focused on translating what works into the settings where children are now ([Recommendations 4 and 6](#)). This includes establishing a leading research institute or consortium that leverages the world-class expertise already present in South Australia, and links us to international developments.



The Commission also recommends that the Office for the Early Years have a new, locally embedded workforce whose role is to mobilise government and non-government providers in every community to deliver high-quality three-year-old preschool that is connected to the broader early child development system. This workforce will also support the translation of cutting-edge insights about supporting healthy child development into everyday practice. ([Recommendation 16](#)).

An Office for the Early Years that brings together new data, an international research agenda, and a local footprint that connects with services will position South Australia at the forefront of translating new global research insights into practical and deliverable reforms.

A nation-leading system requires best practice regulation to ensure quality is maintained across early childhood services. The Commission recommends additional support for the Education Standards Board and an improvement process, to ensure South Australian families have timely access to high quality, reliable assessments about the performance of early childhood education and care service providers, including out of school hours care providers (OSHC) ([Recommendation 7](#)).

## A chance to lead the national conversation in early childhood education

In making its recommendations, the Commission is mindful that the Commonwealth is the predominant funder of early childhood education and care via the Child Care Subsidy.

A range of inquiries, strategies and intergovernmental processes are underway, including reviews by the Productivity Commission and the Australian Competition and Consumer Commission, and the National Cabinet's development of a National Vision for Early Childhood Education and Care.

The Commission's findings position the South Australian Government to shape a new national settlement in the early years ([Recommendation 3](#)).

It is the Commission's view that states and territories should assume primary responsibility for ensuring quality in the early childhood education and care sector, including for child care, preschool and OSHC. States and territories should also take responsibility for connecting these services to other early years services such as health and family supports, given they often provide or fund these and, importantly, have the local knowledge and footprint to make these connections. In this report, this connection function is called 'the glue' and the Commission has been struck by how vital it is, but how funding systems currently fail to adequately recognise its role.

The Commonwealth should then take primary responsibility for supporting accessibility and affordability, including in relation to preschool, which is currently fragmented from the broader early childhood education and care system.

## Resolving shortages in the availability of child care

The Commission's recommendations give flexibility for the State Government to resolve pressing issues now, without waiting for a national settlement.

In particular, the Commission recommends the State Government take a proactive role in fixing access to child care and out of school hours care (OSHC) in areas of undersupply, especially regional and remote areas ([Recommendation 9](#)).

In these areas, it is clear that economic opportunity is being missed because of a lack of appropriate child care options.

The Commission recommends a range of State Government actions to resolve questions of child care accessibility ([Recommendation 10](#)). Importantly, the Commission recommends reporting against a benchmark performance indicator of two years from the identification of a need in a given community to the successful establishment of a service ([Recommendation 10\(d\)](#)).

## Improving supports for families in the first 1000 days of a child's life

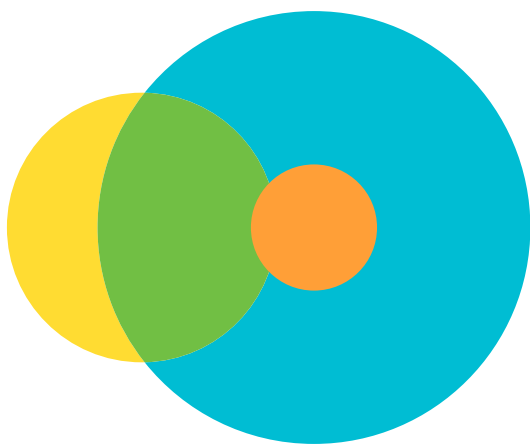
The Commission found compelling evidence about the benefit of stacking multiple evidence based services in the early years, in particular antenatal care, nurse home visiting, early childhood education and care, and parenting programs, to improve outcomes for children in the first 1000 days<sup>3</sup>.

The Commission endorses a vision where communities have a say about what supports they need, and services respond to that and connect with each other locally. This builds on South Australia's proud history of Children's Centres, which are places where families can easily connect with each other, as well as find the help they are looking for ([Recommendation 8](#)).

Families do not always find their way to early childhood education and care. Connecting families, and supporting services to successfully cater for all children, including those with disability or additional needs ([Recommendation 13](#)), will be critical for the State Government to meet a long-term ambitious goal of reducing developmental vulnerability.

At the core of healthy child development are families. Engaging with families early in their parenting journey is incredibly important. The Commission believes one mechanism to achieve this is via an increase of universal child development checks conducted by Child and Family Health Services (CaFHS) and other providers, and by monitoring participation in early parenting groups run by CaFHS, potentially making them an 'opt out' rather than 'opt in' service ([Recommendation 11](#)).

Parents are also looking for consistent, easy-to-understand information on their child's development, particularly in the first 1000 days of life, when a child's growing brain develops more rapidly than at any other time. The Words Grow Minds campaign takes an effective and innovative approach to meeting this need. The Commission recommends the State Government expand the support they provide to this program ([Recommendation 12](#)).



## Aboriginal community-led policy for Aboriginal children

The Commission has heard clearly the need for culturally safe and inclusive early childhood education and care services, which are shaped by the Aboriginal communities they serve.

Several recommendations have been made by the Commission in this regard. [Recommendation 32](#) is that South Australia's First Nations Voice to Parliament and other Aboriginal representative organisations be engaged in designing an approach to ensure that Aboriginal children retain the benefits from their already operating three-year-old preschool model, as well as have the opportunity to improve it. This should be supported by an ongoing funding commitment of around \$10.8 million per annum, which is equivalent to the current funding commitment providing Aboriginal children with three year old preschool.

[Recommendation 14](#) relates to strengthening the Aboriginal Community Controlled Organisation (ACCO) sector, and making ACCOs, and connection with Aboriginal communities more broadly, a valued part of early childhood education and care provision.

## Part Two— South Australia— the first jurisdiction to deliver up to 30 hours of three-year-old preschool

Children who engage in early childhood education have better outcomes overall across a range of social and economic measures in the long term, and they are better prepared for school.

The Commission found evidence that all children benefit from participating in two years of high-quality early childhood education and care in the years before school, on a part-time basis. The evidence shows that the quality of the service is critical to ensuring beneficial outcomes.

It is also true that vulnerable children benefit more from two years of high-quality early childhood education and care, **and** they are likely to benefit from more hours in an early childhood education setting.

It is on this basis that the Commission recommends a roll out of three-year-old preschool founded on a principle of progressive universalism.

While some jurisdictions have moved to offer part-time three-year-old preschool programs, no jurisdiction in Australia currently offers up to 30 hours of three-year-old preschool. South Australia would be the first to do so.

South Australia is presented with an opportunity to lead the way with its offering. As noted above, there is a growing number of children who are developmentally vulnerable in families from all walks of life in South Australia, so traditional targeting of particular cohorts for assistance will not reach every child who needs it.

Therefore, the Commission recommends this additional offering is targeted according to a child's developmental needs, using the data which will become available under the recommended new world-class data system.

Successful delivery of universal three-year-old preschool will embrace all children, be fair and high quality, and build the connections that matter for children's lives.

[Recommendations 15 to 21](#) provide a roadmap for delivering universal-three-year-old preschool from 2026, to be completely rolled out by 2032. While universal, this offering is not uniform. It reflects the different needs of children, families and communities in its delivery model, duration and programming.

The Commission has expanded the existing definition of preschool beyond a program of teacher-led learning to the following:

- Each individual child receives a learning entitlement (including any adjustments required) from an early childhood teacher operating with support from allied health and other professionals as required.
- There is early identification of a child's developmental needs on site (for example, by child development checks) and organised pathways to funded interventions, including providing those on site as appropriate.
- There are organised pathways to broader parental and community supports, including those provided on site as appropriate.

The Commission recommends the development of a new funding model to support this expanded definition of preschool at ages three and four ([Recommendation 19](#)).

## The delivery of three-year-old preschool

The Commission affirms the findings of the Interim Report and recommends that three year old preschool be delivered via a mixed model of government and non government providers.

This mixed model will ensure that preschool can be delivered in a range of configurations, offering flexibility to accommodate as many South Australian families as possible.

The Commission recommends children who are already in a long day care or non government setting at the age of three receive their preschool in that setting (currently 64 per cent of all three year olds). Other children will be able to access three-year-old preschool in a government setting ([Recommendation 15](#)).

This model should be underwritten by a significant new investment in high-quality teaching, with teachers in non-government settings to benefit from \$10.8 million per annum of additional planning time and funded professional learning ([Recommendation 17](#)).

Deloitte Access Economics modelling suggests that funding three-year-old preschool delivery in this way will cost the State Government \$162.7 million per annum, once universal uptake is reached.

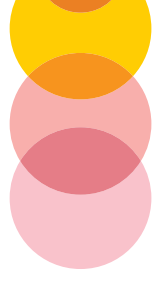
This includes \$30 million each year in inclusion and allied health supports (across all settings, per [Recommendation 19](#)). It also includes \$8 million each year in outreach and ensuring the participation of vulnerable cohorts across all settings (per [Recommendation 20](#)), on top of the investments in quality teaching outlined above.

## A roadmap to a universal government preschool offering at age three

The Commission finds that, in the first instance, the State Government should **not** offer places in government preschool to children already attending a non-government setting at age three ([Recommendation 15](#)).

At present, offering government preschool to all three-year-olds would be highly likely to lead to a significant transfer of early childhood teachers from long day care to government preschools. This would exacerbate workforce shortages in long day care, disadvantaging children using those services (noting this is nearly 50 per cent of all children under age five).

The State Government may wish to review this position in the future and look to a pathway of a guaranteed government preschool place for every child. In the Commission's view, the State Government will be in the best position to undertake such a review once the workforce pipeline has been developed, Commonwealth funding arrangements are clearer, and preschool out of school hours care is widely available at government preschools, noting some families are currently excluded from government preschool because of its inflexible hours.



## Fee relief for families

The Commission acknowledges that parents of children already in long day care at age three will not be offered the choice to attend a government preschool under the mixed model policy settings.

While the Commission’s view is that the affordability of child care should remain the responsibility of the Commonwealth, the Commission is cognisant that the rising cost of child care is a concern for many families. Further, government preschool is understood to be significantly cheaper than long day care; although, as discussed below, this is changing.

Comparing the cost of attending a government preschool for 15 hours per week with the cost of receiving a 15 hour preschool program at long day care is not straightforward.

Following the recent expansion of the Child Care Subsidy, a family on South Australia’s median family income pays average out-of-pocket fees of \$984 per annum for 15 hours of preschool in child care compared to an average of \$488 per annum for government preschool. Out-of-pocket fees are those that remain to be paid by a family after receiving their full Child Care Subsidy benefit. It should be noted these out-of-pocket fees will be different for different families, given service costs vary from place to place, and the amount of Child Care Subsidy varies based on a family’s income.

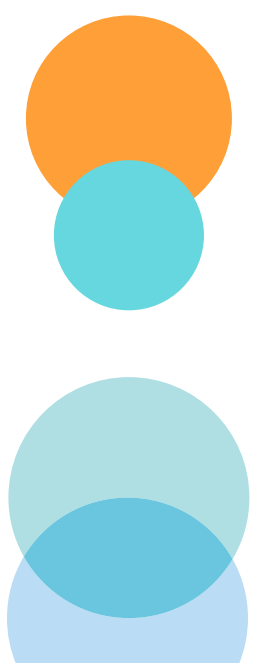
Many variables are likely to change in these equations between now and 2026.

Notably, if the Commonwealth moves to a universal 90 per cent Child Care Subsidy rate (as is currently being considered by the Productivity Commission in their inquiry into Early Childhood Education and Care), out-of-pocket child care costs will reduce significantly.

The final Productivity Commission report is expected to be delivered in June 2024, which is likely to mean that any new Commonwealth reforms on child care costs will be known before the commencement of three year old pre-school from 2026 in South Australia.

The Commission recommends that the State Government take the opportunity to consider any intervention on fee relief for families receiving preschool in child care when the policy context has become clearer and the impact of Commonwealth Government changes is known.

In any event, the Commission recommends targeted fee relief should be available for disadvantaged families or families facing a sudden change in financial circumstances in all preschool settings ([Recommendation 18\(d\)](#)). The Commission further recommends that the State Government should review fee arrangements for government preschools to ensure that they are not disadvantaged by non-payment of fees by families ([Recommendation 18\(e\)](#)).



## Building the early childhood workforce

Workforce shortages of early childhood teachers are a concern Australia-wide and are the key limitation on the pace of the roll out of three-year-old preschool.

In line with other jurisdictions, the Commission recommends a significant State Government investment in early childhood workforce development via a newly established Early Childhood Workforce Fund, worth \$56 million in the first four years ([Recommendation 22](#)).

The urgent task of building the early childhood workforce pipeline, in partnership with universities, vocational education and training (VET) providers and the sector, will be driven by a newly appointed Early Childhood Workforce Coordinator General ([Recommendation 23](#)).

The Commission further recommends the registration of early childhood teachers holding a three-year degree for teaching children aged birth to 5 ([Recommendation 24](#)), bringing existing qualified teachers into the sector and providing a faster pathway for building the workforce. The Commission found no evidence to support the contention that a three-year degree dedicated to the early years is less rigorous than a four-year degree focused on the birth to 8 cohort, noting these degrees place significant emphasis on school-based teaching practice.

The Commission also recommends that in services where there is no early childhood teacher available to deliver the three-year-old program and, in the period prior to universal achievement of three-year-old preschool, the State Government trials different configurations of early learning programs delivered by diploma qualified educators ([Recommendation 31](#)).

## Additional support for those who need it most

The Commission recommends that South Australia becomes the first jurisdiction in Australia to offer more than 15 hours of preschool to three-year-olds who need it.

In the short term, the State Government should provide up to 30 hours of preschool a week in the two years before school to around 1000 children in each year level (around 5 per cent of children) identified as being at greatest risk of developmental vulnerability ([Recommendation 25](#)).

Primarily, these children should receive preschool in specially commissioned integrated service hubs in areas with a high prevalence of developmental vulnerability, though additional hours might be available in any setting.

[Recommendation 26](#) notes that, in the longer term, as data on development risks improve, expanded hours should be considered for a broader group of children beyond this cohort. [Recommendation 27](#) relates to alternative learning models in communities with very low rates of preschool enrolment, while [Recommendation 28](#) relates to connecting children at child protection risk to appropriate early childhood education and care settings.

## Quality is the backbone of preschool and early childhood education and care

The Commission reaffirms recommendations from the Interim Report regarding preschool outcomes measurement ([Recommendation 29](#)), the need to focus on improving services that are rated as Working Towards the National Quality Standard ([Recommendation 30](#)), and the need for a campaign communicating to parents about the value of preschool and where they can find an approved preschool program ([Recommendation 12](#)).

The Commission finds that the State Government has an interest in the composition of the early childhood education and care sector, noting it impacts the quality of the education and care children receive. Commission analysis shows that there are meaningful differences in the workforce tenure, workforce pay and fees charged between different long day care provider types and provider sizes. On average, not-for-profit providers perform better on these metrics, as do standalone providers.

The Productivity Commission inquiry is the most appropriate venue for considering whether particular providers are being pushed out of the market to the detriment of South Australia's children. However, the Commission reaffirms that the State Government should consider the nature and quality of the early childhood education and care system it wants when investing in additional capacity to deliver three-year-old preschool ([Recommendation 21](#)).

## Part Three—Making it easier for families to access out of school hours care (OSHC)

Across South Australia, in any given week, around 29,000 children aged five to twelve will access out of school hours care (OSHC), representing 21,400 families.<sup>4</sup> This means a bit over 1 in every 6 primary school children goes to OSHC in a given week.<sup>5</sup>

Yet there remains ample opportunity to expand OSHC services across South Australia in both school and pre-school settings.

The Commission finds there is an economic imperative for improving access to OSHC: in a time of significant workforce shortage in the wider economy, unlocking additional hours for parents to work is critically important. This is doubly so in areas of significant workforce shortage, such as regional and rural areas. A lack of available OSHC also tends to disproportionately impact women's labour force participation.

[Recommendations 33 to 43](#) relate to the Royal Commission's third Term of Reference regarding how all families can have access to out of school hours care at both preschool and primary school ages.

The Commission makes recommendations to improve access to OSHC at primary school, including through:

- rapidly expanding provision of OSHC on government school sites, building on the successful model employed by New South Wales ([Recommendation 33](#))
- modernising OSHC qualification requirements to provide a more stable workforce, which is drawn from a wider range of qualification holders ([Recommendation 35](#))
- making it easier for OSHC providers operating on government school sites by improving access to facilities and better supporting principals ([Recommendations 34 and 36](#)).

<sup>4</sup> Commonwealth Government Department of Education administrative data, unpublished, for the week ending 14 August 2022.

<sup>5</sup> Australian Bureau of Statistics, Estimated Resident Population of children aged 5–12. Dataset: Census of Population and Housing, 2021, TableBuilder.



## Improving the quality of OSHC provision through fit-for-purpose governance and regulation

OSHC services are essentially complex, highly regulated small businesses operating within a school.

The Commission found there are some benefits to government school governing council operated OSHC services. Overall, however, this governance structure places risk with parent bodies that may not have the requisite experience and industry knowledge to make informed decisions.

On this basis, the Commission recommends changing the default position on the governance of government school OSHC to delivery by a third party provider contracted directly by the Department for Education ([Recommendation 38](#)).

This is part of a broader recasting of roles and responsibilities for OSHC on government school sites, with the Commission recommending the Department for Education assume responsibility for quality assurance and monitoring across all services operating on government sites ([Recommendation 39](#)).

The Commission also finds opportunity to improve the quality of OSHC provision through establishing fit-for-purpose regulatory process. In particular, the Commission urges the Commonwealth and states and territories to follow through on their 2019 commitment to review the National Quality Framework assessment and rating process for OSHC to ensure it is fit for purpose ([Recommendation 37](#)). Assessing OSHC services against a standard designed primarily for the early years misses opportunities to focus on what really matters for quality experiences for older children.

## Inclusion in OSHC

The Commission was presented with evidence that families of children with disability frequently encounter barriers to accessing OSHC and require tailored solutions to create a more inclusive environment.

[Recommendations 40 to 42](#) provide a range of recommendations to ensure that out of school hours care is open to all children.

These include:

- ensuring the specialist support and planning for children with disability at government schools includes consideration of OSHC ([Recommendation 40](#))
- improving access to OSHC at special schools within three years ([Recommendation 41](#))
- partnering with the Commonwealth to trial different models of making government OSHC more inclusive, as well as National Disability Insurance Scheme (NDIS) service provision compatible ([Recommendation 42](#)).

More generally, the Commission has recommended that the Commonwealth should assume responsibility for children requiring 1:1 support in long day care or OSHC, as part of a national settlement of roles and responsibilities ([Recommendation 3](#)).

## ‘Wrap around care’ or ‘preschool OSHC’ on government preschool sites

The expansion of preschool to three-year-olds increases the urgency of improving the family-friendly operation of government preschools to support more flexible hours of operation.

The Commission finds that school-based OSHC services will not usually be an appropriate solution to providing OSHC for three-year-old children attending preschool.

However, different communities will have different needs, and the Commission recommends the Department for Education trial and evaluate a range of different models, with a view to rolling out wrap around care progressively from 2025 ([Recommendation 43](#)).

These models include running a preschool-specific OSHC service from the preschool site (either directly operated by the Department for Education or a third party provider) and supporting family day care ‘in-venue’ provision (where the educator operates from the government preschool site).

In any case, the Commission finds that the Commonwealth must amend the Child Care Subsidy Minister’s Rules 2017 to allow these services to be eligible for Child Care Subsidy and ensure South Australian families are not unfairly disadvantaged ([Recommendation 5](#)).

## The Commonwealth

While the Commission’s findings and recommendations are largely focused on the State Government, the Commission does make some recommendations directly to the Commonwealth.

The Commission notes that the Commonwealth has no obligation to respond, but trusts the recommendations will be considered seriously in current and future policy discussions on early childhood education and care.

In particular, [Recommendation 5](#) makes a number of specific recommendations for the Commonwealth’s consideration, including:

- allowing State Government access to Child Care Subsidy data
- extending changes to the Child Care Subsidy to enable all families to access up to three days a week of care without the need to meet any activity test
- considering a needs-based funding model for early childhood education and care
- considering differential pricing for younger children with higher educator-to-child ratios in the Child Care Subsidy
- ensuring families of children attending special schools are not unfairly financially disadvantaged in accessing OSHC
- supporting an increase in pay for the early childhood education and care workforce
- amending the Child Care Subsidy Minister Rules 2017 to facilitate in situ care on government preschool sites out of school hours.

In addition to these specific recommendations, this Royal Commission urges the Commonwealth Government to engage in constructive inter-governmental discussions on a national settlement of roles and responsibilities in early childhood education and care. In this report, the Commission gives a broad outline of how to define these roles and responsibilities.

A national settlement would be in the interests of all governments, now and in the future, the sector, families and children.



# PART ONE: A VISION FOR SOUTH AUSTRALIA'S CHILDREN IN THEIR FIRST 1000 DAYS OF LIFE

The early years are pivotal to shaping the rest of a child's life. The importance of the early years is proven by research and central to the Royal Commission's inquiry.

By focusing on the early years, the Commission can see a future for South Australia in which all children are able to thrive. This is a future where families are supported to help their children grow and learn, and the right services are available at the right time in a way that makes families feel secure, connected and encouraged.

The Commission has heard persuasive evidence that factors like poverty, intergenerational trauma, disability or the lived daily experience of racism add layers of complexity and pressure that can disadvantage childhood development.<sup>1</sup>

Evidence also tells us that there is a growing number of children with developmental vulnerability across all parts of our community.<sup>2</sup> The term 'developmental vulnerability' means children have not reached the developmental milestones usual for their life stage, and, left unaddressed, this can undermine a child's further progress.

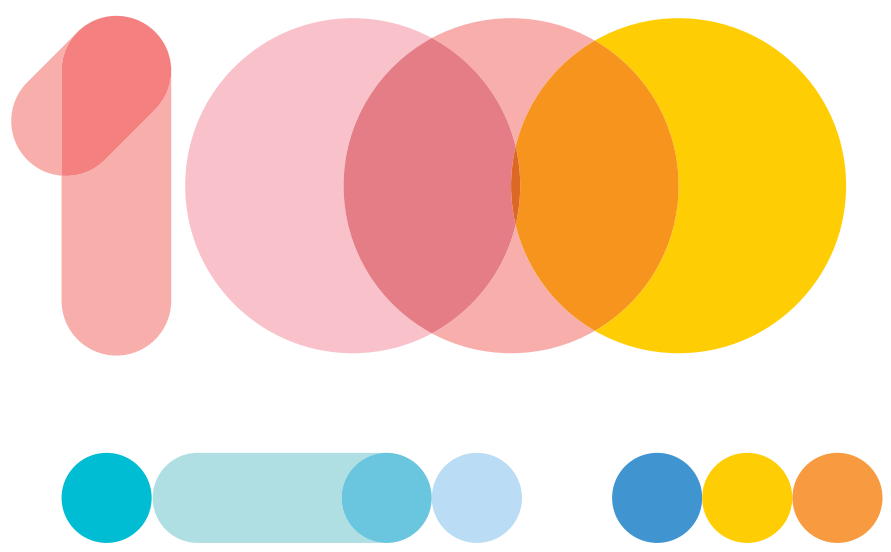
In the Commission's view, an integrated early child development system is vital for every child and family, and particularly precious for those children and families most at risk of developmental vulnerability. That is why the Commission's vision extends beyond improvements in individual services to regarding early childhood education and care as the backbone of a full body of services, information and support.

Quality early childhood education and care can change life trajectories, see children develop a love of learning, allow families to engage in the workforce and build community connection.

To create a future in which all children thrive and build the foundations for success as adults, South Australia will need to commit to a process of change.

It is this vision that has set the tone for this inquiry and this Final Report outlines the Commission's view of the reforms required to achieve it.

Part One of this Final Report of the Royal Commission outlines the important steps towards this future in the first 1000 days of life.



## The first 1000 days

In many contexts, particularly in health settings, the 'first 1000 days' is used to refer to the time from conception to the age of two.<sup>3</sup> For many of the conversations this inquiry has held, we have accepted the 'first 1000 days' as applying to children up to the age of three, without diminishing, of course, the critical importance of care and support to parents and babies during pregnancy. In fact, the Commission heard evidence in our stakeholder roundtables and from the Expert Advisory Group of the impact that health and social supports during pregnancy can have on outcomes for children and parents.<sup>4</sup>



[Early childhood education and care] could and should be a system for families, a focal point for local neighbourhoods, and respond in the right ways to local community characteristics and needs.

**The Bryan Foundation submission to the Royal Commission**

# Leadership of the early child development system

## Findings

### South Australia's early child development system— Including relevant findings from Interim Report

There are five key elements in a successful early child development system: prenatal care and maternal and child health care (including home visiting); paid parental leave; parenting supports; early childhood education and care; and wrap around services to support families with greater needs.

In South Australia, early years services across all five elements are delivered by a mix of government and non-government providers, with policy and service delivery responsibility spread across a number of different agencies and levels of government.

System stewardship is the appropriate governance framework to work across the early child development system with its multiple players.

System stewards reinforce a system's vision and purpose, as well as set and maintain system rules to support this.

The State Government should have a degree of structural separation between its roles of early child development system steward and service provider.

The early childhood education and care system should form the backbone for a broader early child development system.

To deliver on its role as system steward, the Office for the Early Years will need to build internal capacity to better understand the role of non-government services in early childhood education and care.

The Office for the Early Years should seek to leverage effective partnerships with non government organisations and bring in other agencies, notably the South Australian Department of Human Services.

It will be easiest for early childhood education and care to form an effective backbone, if the vexed issue of roles and responsibilities between the Commonwealth and states and territories is resolved.

A system stewardship model benefits from having a galvanising and measurable goal which is understood and supported by all participants in the system. The best available dataset on child development is the Australian Early Development Census (AEDC). Using this data, it is possible to define a goal based on reducing, as far as possible, the number of children who are assessed as developmentally vulnerable.

There is no precise data available on the expected rate of developmental vulnerability in circumstances where children had received the support needed to thrive and not faced any economic disadvantage. The number of developmentally vulnerable children would be lower than current levels, but given the wide variety of factors and circumstances that impact child development the number would not be zero.

The best available proxy for this number comes from the BetterStart analysis of linked data, which shows that children in the highest socio-economic status areas, without any contact with child protection, have a rate of developmental vulnerability of 15 per cent.<sup>5</sup>

In light of this evidence, the systemwide galvanising and measurable goal should be to reduce developmental vulnerability for South Australian children to 15 per cent or less on one or more domains as measured by the AEDC. The domains are:

- physical health and wellbeing
- social competence
- emotional maturity
- language and cognitive skills
- communications skills and general knowledge.

A goal also needs to have a defined date by which it should be accomplished, so efforts can be focused and the system held accountable. Given the AEDC is administered every three years, defining the timeframe means selecting which AEDC should first show that the 15 per cent goal has been reached.

The Commission believes the appropriate AEDC is the one to be conducted in 2042. That gives a twenty-year horizon, counting the year of this Final Report as year one. It should be noted that this timeframe necessarily implies that children born around 2037, who will form the school aged cohort in 2042, will receive the services and supports they need to be developmentally on track. That means this goal has an implied interim goal of 15 years to ensure all services and supports are available and of high quality.

Even when the goal is reached, there will be children starting school with vulnerabilities. Continuing and targeted efforts will need to be made to support their development.

## **Benefits of a universal child development data system**

A universal child development data system that is well governed, secure and trusted by users and community will deliver benefits to children, families and the early child development system.

Data sovereignty for Aboriginal people must be upheld.

A nation-leading research institute or consortium will be able to drive an agenda and an 'evidence ecosystem' between the State Government, the sector and the community. ✨

# Recommendation 1

## **A long-term ambition to help South Australia's children thrive**

That the State Government sets a twenty-year goal to reduce the rate of South Australian children entering school developmentally vulnerable, as measured by the Australian Early Development Census, from the current rate of 23.8 per cent to 15 per cent.



## Recommendation 2

### Legislating the Office for the Early Years to lead the early child development system

The State Government should introduce new legislation establishing the Office for the Early Years (the Office) as a steward of South Australia's early child development system, with a mandate to increase the proportion of South Australian children who are developmentally 'on track' when starting school and to reach the goal defined in Recommendation 1.

The legislation should describe an early child development system which includes families, communities, local government, non-government and government providers in health, human services, and early childhood education and care.

It should note the particular role of early childhood education and care as a backbone service in the universal child development system.

It should describe the particular responsibility of the Office to promote the cultural safety of early childhood education and care services for Aboriginal children.

The functions of the Office should be separate from State Government responsibilities for service delivery.

These functions should include:

- establishing and maintaining a child development data system
- ensuring the universal reach of child developmental checks
- building early childhood education and care as the backbone of a universal early child development system
- ensuring universal access to three and four year old preschool, including commissioning new integrated service hubs, developing funding models, and ensuring that preschool providers are connected to the broader early years system
- ensuring supports and services are aligned with needs of children by partnering with non-government organisations, and local and Commonwealth governments
- providing overall strategic direction to State Government early years services (noting operational planning and delivery should remain in current line agencies)
- commissioning or recommissioning State Government services as required.

The governance outlined in the legislation should reflect a cross-sectoral and partnership approach.

## Recommendation 3

### A new national settlement of roles and responsibilities in early childhood education and care

That the State Government seeks a national settlement of roles and responsibilities in relation to early childhood education and care, noting that the Commission's preferred national settlement would see:

- states and territories having primary responsibility for:
  - ensuring quality in long day care, preschool and out of school hours care (OSHC); and
  - enabling families to be connected to the information and supports they need by building the capacity of early childhood education and care services to form the backbone of an early child development system;
- the Commonwealth having primary responsibility for:
  - ensuring that long day care is **accessible** and affordable for all;
  - ensuring preschool for three and four-year-olds in long day care is **accessible** and **affordable** for all;
  - ensuring out of school hours care, including that provided for preschool aged children in government preschools, is **affordable**, with service accessibility a shared responsibility given the role of the states and territories in enabling OSHC delivery at government schools and preschools; and
  - providing inclusion support in long day care, preschool and out of school hours care, including meeting the needs of children requiring 1:1 support to ensure their health, safety and wellbeing and to encourage active participation in the program.

This new national settlement could be pursued via the National Cabinet's consideration of a National Vision for Early Childhood Education and Care.

## Recommendation 4

### Legislation for a new universal child development data system

That in establishing the Office for the Early Years, the State Government includes the legislative basis for an integrated child development data system that enables:

- families to have a better experience, not needing to retell their stories or be responsible for ensuring all information is passed on
- service-to-service sharing of relevant information about individual children, for the purpose of providing better support
- services to engage in data sharing to support service targeting, planning, evaluation and research
- population wide, individual level de-identified data for planning, evaluation and research
- communities to meaningfully plan and take action, and engage with governments
- in certain circumscribed cases, population wide, individual level identified data to allow the targeting of services and supports
- all participants—policymakers, educators, service providers—to engage in a process of continuous improvement and reflection
- data sovereignty for Aboriginal people.

Such a system requires rigorous ethical and legal frameworks to ensure that data is used appropriately, and that families are active partners and beneficiaries of the system.



## Recommendation 5



The formatting has been modified to emphasise the relevant sections of each recommendation.

### Actions for the Commonwealth Government

#### That the Commonwealth Government:

- **ensures the State Government has regularly updated access to Child Care Subsidy data to support system design and insight into system-wide participation**
- extends changes to the Child Care Subsidy to enable all families to access up to three days a week of care without the need to meet any activity test
- considers adopting a needs-based funding model for early childhood education and care, in recognition of the additional costs of effective inclusion of disadvantaged cohorts
- considers introducing differential pricing in the Child Care Subsidy for younger children with higher educator-to-child ratios
- ensures families of those children accessing out of school hours care (OSHC) located on a special school site are not unfairly financially disadvantaged by the higher costs associated with the provision of care to children with complex needs and disability
- supports an increase in the pay of early childhood education and care educators.

That the Commonwealth Government promptly amends the Child Care Subsidy Minister's Rules 2017 to allow out of school hours services operating on government preschool sites to be eligible for the Child Care Subsidy.

This recommendation is made:

- noting that Royal Commission modelling suggests South Australia currently misses out on approximately \$35.5 million per annum in Child Care Subsidy because it directly provides government preschool
- in light of the commitment made by the Commonwealth on signing the Preschool Reform Agreement to progress this matter
- most importantly, recognising that this facilitates the optimal arrangement for many children—the provision of in situ care on government preschool sites outside government preschool hours.

## Recommendation 6

### Investing in world-class evidence and translation into practice

**That the State Government invests on a long-term basis in a leading research institute or consortium of research nodes, which should become central to creating and sustaining an evidence-based early childhood education and care system. The aim of the institute or consortium would be to position South Australia at the forefront of translating new global research insights into practical and deliverable reforms.**

The State Government should undertake the following initial research agenda and involve the newly established institute or consortium once it commences work:

- a. Trial, evaluate and continuously improve models of service connection and integration in the early years.
- b. Partner with the Commonwealth to trial Inklings, an early intervention program for children at risk of being diagnosed with autism.
- c. Work with the Commonwealth and other partners to fund and trial intensive early intervention in targeted cohorts.
- d. Build the evidence base about how best to engage families of children identified as highest risk to ensure successful engagement across a range of contexts (noting risk is not limited to lower socio-economic areas). This should build on the opportunity identified in the Interim Report to trial different designs of outreach and engagement from 2024.
- e. Trial and evaluate different models of allied health and other support provision (for example, small group versus educator capability building) in early childhood education and care, with a view to continuously improving the offerings.
- f. Build the evidence base of the:
  - impact on attendance and outcomes of the current delivery model of the universal preschool entitlement of 15 hours each week over three days for 40 weeks, versus two days with longer hours, with a view to considering whether 15 hours is the appropriate use of government preschool hours at age three or four if clear evidence emerges
  - best method of targeting additional hours/days for children who require additional support at age three or four
  - impact of consecutive days on attendance and outcomes
  - impact of consistent groupings on outcomes
  - impact of transitioning between different settings in a child's daily life
  - benefit of two years of preschool with a stable cohort
  - relationship between workforce consistency and quality over time.

The Commission has talked about the opportunity to bring together the elements required for a connected early child development system.

Within the State Government, these supports are delivered across the health, education and human services portfolios, which causes difficulties in coordination.

These difficulties are exacerbated when services are considered more broadly. For example, the Child and Family Health Service (CaFHS) is a state-wide service run out of the Women's and Children's Health Network, while key child development services are provided by individual Local Health Networks (LHNs). Health supports are also provided by private health and disability services, which are often part funded by the Commonwealth via individual entitlements, like Medicare or the National Disability Insurance Scheme (NDIS).

Often connections between government and non-government services rely on goodwill and the hard work of individuals, not because there are structures in place to formally connect them.

Currently, early childhood education and care is provided through a number of different delivery mechanisms, in the broader context of a demand-driven market established by the Commonwealth's Child Care Subsidy.<sup>6</sup>

The Commission understands that the relationship of the long day care sector with the State Government tends to be via the Preschool Reform Agreement (formerly Universal Access) funding arrangements (which are relatively modest in the context of overall funding) and the Education Standards Board as regulator.

Understandably, the State Government's historic policy focus in early childhood education and care is dominated by government preschools, which deliver education and support for children and their families in the year before school. Government preschools that are part of a Children's Centre offer a broader range of child and family supports.<sup>7</sup>

Viewed as a whole, South Australia already has the key elements required for successful early child development support, but improving outcomes depends on seizing the opportunity to connect them into a system that allows for all the parts to heighten their impact by working in concert with others.

Further, these system parts can be networked into a research institute or consortium, to bolster the system's capacity to continually learn and improve.

## System stewardship

Central to the success of any reform is governance.

Given the early years has many actors with shared or overlapping roles and responsibilities, governance in this context is best supported through system stewardship.

As noted by the Australian Research Alliance for Children and Youth in their submission to the Commission:

System stewards do not act only for the benefit of themselves or their own organisation, but take responsibility and accountability for the health of the system overall, including, and especially, its beneficiaries.<sup>8</sup>

System stewards reinforce the system's vision and purpose, as well as set and maintain system rules and design to support this.

The State Government has already responded to the need to coordinate its own efforts. The Department for Education's Office for the Early Years has been established as a single point of leadership across the State Government to improve child development and guide delivery of South Australia's Early Learning Strategy.<sup>9</sup>

In the view of the Commission, this good work should be built upon and broadened so there is a legislated system steward with a clear mandated role to network together all of the actors, including but not limited to all levels of government, private providers, not for profits, community groups and experts.

Establishing the Office for the Early Years in legislation will formalise its value and purpose as a system steward of the early child development system and provide a long-term commitment to its role.

There is a tension at the core of system stewardship. Stewards must both embrace leadership and share power and responsibilities with many other actors. As the Front Project note, 'System stewardship must allow long-term thinking, iteration, and a balance between leadership and the devolution of power.'<sup>10</sup>

The Commission notes and agrees with the State Government's submission that system stewardship should be separate from service delivery functions, and, in particular, the State Government's role as the predominant provider of preschool and family day care services.<sup>11</sup>

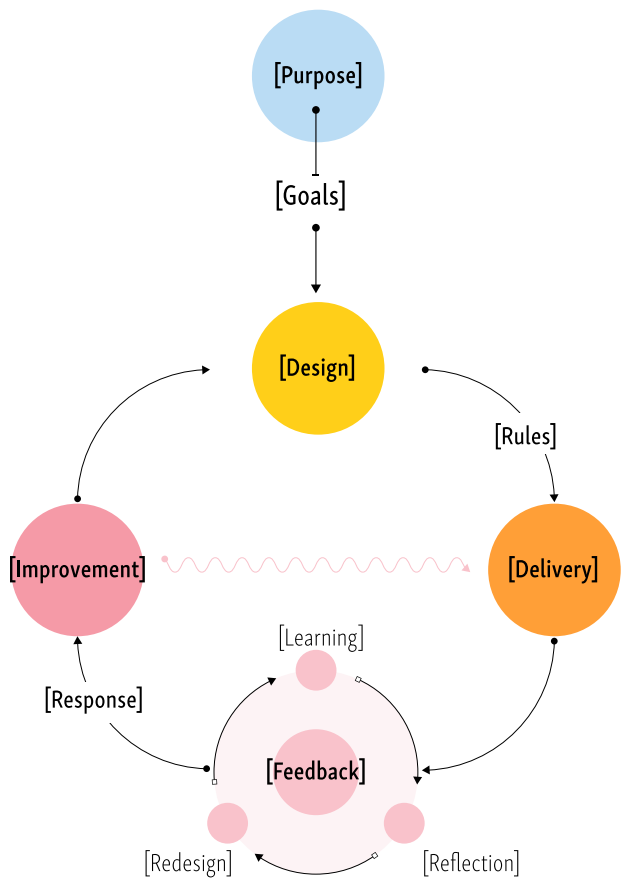
The Office must be located within a departmental context that supports the sharing of power and decision-making with non-government players in early child development.

The Office for the Early Years will need to build capability and expertise beyond its current depth of understanding of government preschool and other early childhood education and care services provided by the Department for Education.

This will require an intentional process of capability building encouraging cross-fertilisation of people and ideas. For example, this could include secondments from the non-government sector and working groups drawing on operational expertise from many delivery settings.

There may also need to be consideration of embedding non-government voices within the governance of the Office itself.<sup>12</sup> The Commission has heard of other agencies where engaged partnership with the non government sector has been successful; in particular, there is the co-design process undertaken by the Department of Human Services in developing the Child and Family Support System.<sup>13</sup>

The State Government should consider how to leverage the expertise of the Department of Human Services in building out the functions and capabilities of the Office for the Early Years.



**Figure 1:** Based on model from The Front Project (2022) The case for system stewardship in Australia's Early Childhood Education and Care System, p. 26.

### A stewardship framework

- ECEC system actors agree on a common vision for the sector (with reference to children and families and key actors)
- Policy and funding decisions within ECEC are reflective of the agreed vision, with a greater degree of clarity and consistency
- Policy and funding decisions support service procurement and market facilitation, addressing gaps as aligned with the system vision
- Feedback loops empower all actors within the system, including children, families and services.
- Data and evidence is robust, accessible, sharped and monitored to inform decision making
- The ECEC sector is dynamic and responsive, modifying and adapting to changing conditions, informed by evidence and input from system actors

This will be particularly important as the Office for the Early Years begins commissioning new integrated service hubs in areas of high developmental vulnerability, which will likely involve a range of existing partners of the Department of Human Services.

The Office will also have to build a high-level strategic relationship with relevant Commonwealth departments and agencies, and ought to aim to build an information and experience-sharing network with other states and territories.

The Office should provide overall strategic direction to State Government early years services, including the Child and Family Health Service (CaFHS) and public health antenatal and postnatal supports, by delivering an overarching State Government Early Years Service Strategy. Operational planning and delivery, in line with the overall strategic direction,

should remain in current line agencies.

System stewardship is easy to talk about but not always easy to implement. Long-held cultural norms about ways of working, and the silos created by history, agencies and systems, are hard barriers to break.

Strong leadership and commitment to reform will be vital to bring the strands together in a cohesive way.

An ambitious target provides a rallying cry around which to organise. As detailed above, the Commission has considered carefully the framing of an ambitious long-term aspiration and believes the system-wide goal should be to reduce developmental vulnerability for South Australian children to 15 per cent or less in twenty years.

# National Vision for Early Childhood Education and Care

The Commission envisions the early childhood education and care system as a backbone for a broader early child development system.

System stewardship of early childhood education and care has been a vexed issue over many decades. Leadership of overall system design has, at times, been lacking.

A National Vision for Early Childhood Education and Care commissioned by the National Cabinet is an important step forwards to confirm the purpose of the early childhood education and care system, including clarifying roles and responsibilities.

In the discussion that follows, the Commission paints a picture of what the State Government might do across a range of areas in early childhood education and care, such as accessibility, quality and choice, and inclusion.

The Commission is mindful that as the national dialogue progresses, and as the Commonwealth Government considers its response to the Australian Competition and Consumer Commission and the Productivity Commission inquiries, jurisdictional roles and responsibilities may change.

In this context the Commission considers that the State Government should proactively engage to achieve a national settlement of roles that sees states and territories assuming primary responsibility for supporting quality, and the ability of early childhood education and care services to form the backbone of an early child development system.

The Commonwealth's role would then be to take primary responsibility for supporting accessibility and affordability for long day care and preschool. In OSHC, the Commonwealth also would have the primary role in relation to affordability. However, given OSHC is best conceptualised as an integral part of the school or preschool day and the creation of services largely depends on the involvement of government schools and preschools, accessibility is a shared responsibility with the Commonwealth.

This is discussed in more detail later in this report.



## The knowledge ecosystem, and an early child development data system

The Interim Report canvassed the emerging science, large-scale research studies, increasingly joined-up data and contemporary policy contexts that make it the right time for South Australia to become a world leader in building the bridge between what we know works and children's lives.

The Commission's Interim Report described the importance of a comprehensive child development dataset as a core part of an early child development system.

The Commission has heard evidence from experts and researchers about the value of data, and how it can give insight into new solutions and ways of working, especially when communities are engaged in how their data is collected and used.<sup>14</sup>

The Interim Report also canvassed evidence provided by Dr Rhiannon Pilkington about the Better Evidence, Better Outcomes, Linked Data (BEBOLD) dataset. This data asset contains de-identified information on all children born in South Australia since 1991 across numerous government datasets.<sup>15</sup>

However, while this kind of dataset provides great insight at a population level at a point in time, it does not allow for real-time data availability or sharing among practitioners.

Further, the constraints placed on researchers by data custodians (usually government agencies) mean researchers are unable to engage in sharing data stories with communities in an iterative way that would lead to local community action, which in turn would lead to reviewing the updated data and learning more.<sup>16</sup>

Data custodians are right to be careful with community data; however, with the appropriate legislative and governance framework, there is an opportunity to do more.

For example, Professor Mark Mon-Williams of the Bradford Institute of Health Research has told the Commission about the Born in Bradford study and related dataset in a deprived region of the United Kingdom. Born in Bradford has seen real-time information sharing across health and education systems to provide better support to primary school aged children in the region.<sup>17</sup>

It seems fair to say the local community feels a sense of ownership and pride in this work.

Closer to home, representatives of the South Australian Department of Human Services (DHS), Ms Katherine Hawkins and Ms Kerry Beck, have given evidence about using linked data to tailor and refine interventions in the Child and Family Support System (CFSS).<sup>18</sup>

Similar to the experience in Bradford, where community support has been vital to the study, DHS reports that working directly with community to design CFSS and ensure community support for data capture has led to greater trust in the supports and processes.<sup>19</sup>

In that context, Children and Young People with Disability Australia (CYDA) have submitted to the Commission that an early child development data system should capture information about disability. CYDA note a general 'lack of interest and investment in data about their experience, engagement and outcomes'.<sup>20</sup>

In light of the recent announcement of a commitment by jurisdictions to develop a National Disability Data Asset, the Commission notes the opportunity to work with the Commonwealth (including the National Disability Insurance Scheme) and other State Government agencies to see how an early child development data system can add value.

Consistent with the commitments made under Closing the Gap Priority Reform 4: Aboriginal-led data, the sovereignty of data collected as it relates to Aboriginal and Torres Strait Islander people must be respected.

As part of respecting data sovereignty, the State Government must consider how Aboriginal Community Controlled Organisations are engaged in partnerships, and must ensure data and project priorities are collaborative.<sup>21</sup> As the Commissioner for Aboriginal Children and Young People, Ms April Lawrie, notes in her submission:

“High quality publicly available and disaggregated data ensures accountability, but the wellbeing of Aboriginal children is inextricably entwined to their connection to culture. This linkage should be made by enabling partnership policy and decision making at the local level informed by high quality disaggregated data that is owned by Aboriginal communities to put them in the box seat with policy development and empower meaningful social policy and legislative reform.”<sup>22</sup>

The Commission notes the sharing of necessary information about individual children between a range of government and non-government early years services requires rigorous governance to ensure trust. The Commission looks to the experience of Victoria using the Child Link system, established under the *Child Wellbeing and Safety Act (2005)* (‘the Act’), to understand what is required to make this work.

The Act authorises collection and sharing of information about all children born or living in Victoria who are interacting with relevant services (for example, kindergarten, supported playgroup, maternal and child health service, school or the child protection system).<sup>23</sup> Child Link is the platform that provides access to high-level information about a child.

This access is only provided to authorised users under the legislation as part of the Child Information Sharing Scheme.<sup>24</sup> The Commission notes the system was reviewed in 2021, with the review finding that, overall, the system has been designed, planned and implemented to deliver its legislative intent.<sup>25</sup>

Data governance is vital to the success of any attempt to collect, link or share government data to improve service and policy outcomes. It is the view of the Commission that South Australia should legislate to establish an integrated child development system.

This view has been formed based on the evidence of experts including Professor Katina D’Onise on the importance of data governance in health settings,<sup>26</sup> Ms Hawkins and Ms Beck on the value of big data in system design,<sup>27</sup> Professor Mon-Williams about the processes used in the United Kingdom to share data,<sup>28</sup> and with knowledge of the foundational legislation in Victoria that established Child Link.

A system underpinned by a sound legal framework would provide an architecture to support data sharing beyond existing realms for both government and non-government services. It would be possible for services to add to and access the data they need to deliver their responsibilities. Legislation would articulate the data types, users, beneficiaries and rules of engagement to protect privacy but support system-wide outcomes.

The State Government’s Office for Data Analytics (ODA) has advised the Commission of the existing data capabilities and governance of the State Government. The ODA’s governance framework includes Data Asset Committees that support the effective, ethical and responsible use of the *Public Sector (Data Sharing) Act 2016*, one of which, the State Social Data Asset Committee, is responsible for State Government social data assets.



The Commission notes the existing architecture is rigorous for the purposes for which it has been designed. However, it is not clear if the framework will allow for the level of integration envisioned by the Commission for an early child development system that is designed with communities, practitioners and policymakers, and aims to benefit the whole of the state and system, including individual children and their families.

In that context, the Commission recommends the State Government investigate to determine the ideal governance pathway for the system recommended in this report, to ensure the legislative and governance frameworks are fit for purpose.

The Commission is aware that one key challenge is securing access to data held by other entities, notably the Commonwealth. For example, the Interim Report noted the importance of visibility of the Commonwealth Child Care Subsidy dataset. The Commission has had the privilege of accessing this data to gain insight into rates of participation not usually visible to the State Government. Secure and regular access to this data will help the State Government better understand which children are missing out on early childhood education and care, and how to design and target ways to reach them.

The Commission understands that any data system is only as good as the collection mechanism. In early childhood education and care, much of the data is collected by educators and carers, who already have complex and challenging workloads. A number appearing before the Commission have referred to these 'paperwork' burdens.

In the process of developing the new data system, the State Government should consider ways to make the data collection as easy as possible. In terms of current data collection, large providers like Goodstart have already developed streamlined systems to reduce the burden on its workforce. Much could be learned from these models.

## What is an early child development data system?

If we envision a South Australia where child development is supported through a system of universal checks and not standalone interactions with services, what might it look like?

Would families engage with supports in a way that means they only tell their story once?

Would practitioners have access to important information, including previous service engagement or development checks, regardless of whether they work in a government or non-government setting?

Would teachers and educators have a wider network of information allowing them to be aware of developmental vulnerabilities and plan programs to suit children's needs?

Would government have the ability to hold population-level data to gain insight into program effectiveness or service design?

Would our research community be able to tell us more about our community strengths and vulnerabilities than we know today?

Would our research community, other experts and those involved in service delivery and communities be able to use population-level data to design new and improved approaches?

It is the view of the Commission that a truly integrated system would deliver benefits to the whole of the state right through to individual children and their families.

Such a system would need careful thought and design, incorporating the voices of communities and practitioners as well as policymakers.

It would need to be well governed, secure and trusted by practitioners, adding value to their important work. It would need to be valued by community, who would know that their child is benefiting while their privacy is respected at every service interaction.

It would enable the delivery of improved real outcomes for South Australian children as they grow and learn.

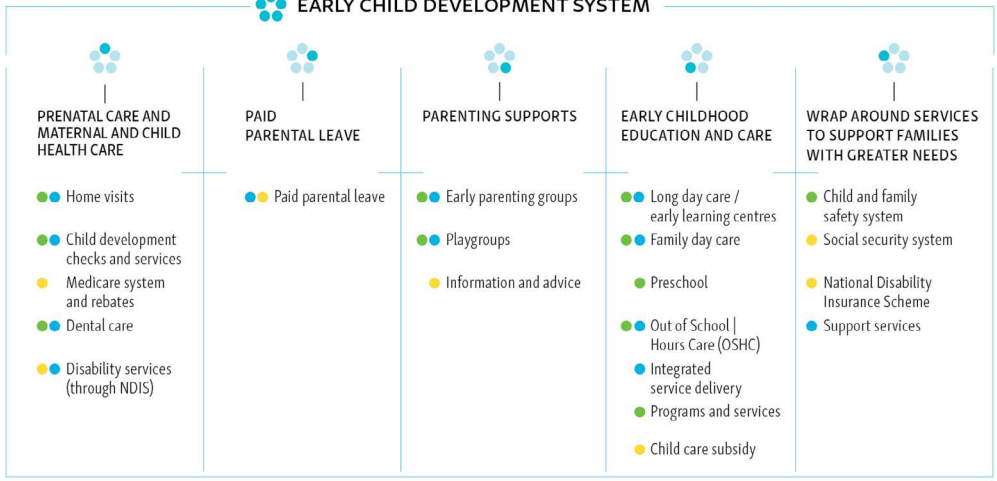
OFFICE FOR THE EARLY YEARS

PURPOSE

Increase the proportion of South Australian children who are developmentally 'on track' when starting school, by:

- establishing and maintaining a child development data system
- ensuring universal access to three and four-year-old preschool
- ensuring supports and services are aligned with needs of children by parenting with non-government organisations, and local and Commonwealth governments
- providing overall strategic direction to State Government early years services
- ensuring the universal reach of child developmental checks
- building early childhood education and care as the backbone of universal early child development system
- commissioning or recommissioning State Government services as required

EARLY CHILD DEVELOPMENT SYSTEM



- COMMONWEALTH
  - National Disability Insurance Scheme
  - Public Health Networks
  - Medicare Benefits Scheme
  - Paid Parental Leave
  - Raising Children Network
  - Predominant funder of Early Childhood Education and Care via Child Care Subsidy
  - Social security system
- SA GOVERNMENT
  - SA Health
    - CaFHS
    - Local Health Networks
    - SA Dental
  - Department of Human Services
  - Department for Education
- OTHER
  - Aboriginal Community Controlled Health Organisations
  - Employers
  - Local government
    - libraries, etc
  - Non-government ECEC providers
  - Non-government providers of social supports

Figure 2: Key elements in the early child development system in South Australia

In their submission, Social Ventures Australia reference the opportunity to build an 'evidence ecosystem' with investment in research, translation of the evidence across the system, and learning and evolving what works over time.<sup>29</sup>

The University of Adelaide has gone further and proposed establishing an Institute for the Early Years, to position South Australia as a nation leader in this space.

This would build on the existing research and data infrastructure (including BEBOLD and the Fraser Mustard Centre), partner with government and translate research into operational programs.<sup>30</sup>

A dedicated institute requires long-term stability and funding to deliver the longitudinal research that will benefit future generations of South Australian children. The Commission supports and recommends the concept but notes that the desired outcome may be able to be delivered through a research institute or a consortium which brings together existing research nodes.

To fully realise the benefits of this data system, the Office for the Early Years should establish a research agenda in partnership with leading institutions, especially the new research institute or consortium, as well as ensure appropriate governance to facilitate data sharing and research priorities.

# Regulating early childhood education and care

## Findings

### The Education Standards Board

The assessment and rating cycle of early childhood education and care services by the Education Standards Board (average eight to ten years) is well above the national average of three years.

In South Australia, 57 per cent of early childhood education and care services with a National Quality Standard rating have not been assessed under the updated 2018 National Quality Standard. This is compared with 16 per cent nationally.

Across services rated against the 2018 National Quality Standard, 34 per cent of South Australian services have been rated as Working Towards the National Quality Standard, compared with 12 per cent nationally. This includes:

- 42 per cent of out of school hours care services rated as Working Towards, compared with 15 per cent nationally
- 36 per cent of long day care services rated as Working Towards, compared with 12 per cent nationally.

The Commission is unable to determine how much South Australia's higher rate of Working Towards services is explained by a different regulatory approach, and how much is explained by the actual performance of South Australian services.

However, the evidence does show services find assessment and rating outcomes to be inconsistent. Some services find it hard to have a trusting open dialogue with Authorised Officers working on behalf of the Education Standards Board. 🌟

## Recommendation 7

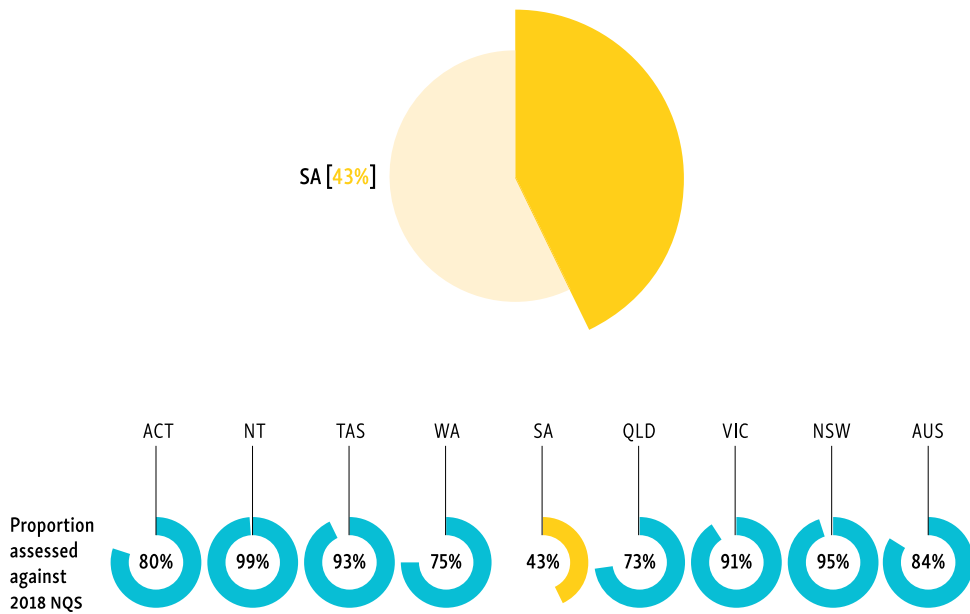
### Improving the functioning of the Education Standards Board

That the State Government ensures sufficient resources are available to the Education Standards Board (ESB) so that every early childhood education and care provider is assessed and rated at least every three years.

That the State Government appoints an independent change management panel to support the reform agenda of the Education Standards Board.

This panel should comprise experts in change management and comparable regulatory functions who are appointed for up to two years to work with the Education Standards Board and its Registrar to:

- build capacity across the legislated functions of the Education Standards Board
- ensure the Education Standards Board clears the backlog of services that have not been assessed and rated in the last three years
- establish a benchmark timeframe for assessments and systems to ensure the benchmark is met
- introduce or improve the internal quality review function to understand how well the Education Standards Board operates the assessment and rating approach, to improve the consistency of assessments and ratings by Authorised Officers and to benchmark against interstate regulators
- improve interactions with services that are rated as 'Working Towards' the National Quality Standard or having issues with noncompliance
- position the Education Standards Board as the first point of contact for services with quality or regulatory questions
- review the recruitment processes for Authorised Officers to ensure the right skills are prioritised and that new officers receive sufficient induction, shadowing and mentoring.



**Figure 3:** Proportion of all South Australian services assessed against NQS 2018—by service type, against national average  
 Source: ACECQA National Quality Standard Time Series Data, Q1 2023).

South Australia's regulator of early childhood education and care is the Education Standards Board (ESB). The ESB is established under the *South Australian Education and Early Childhood Services (Registration and Standards) Act 2011*. It is responsible for regulating early childhood services (including preschool and out of school hours care) under the National Law, incorporating the National Quality Framework and the National Quality Standard, which is the standard against which services are assessed.

In practice, the functions of the ESB include scheduled and unscheduled visits, assessing new services before registration, assessing and rating existing services against the National Quality Standard, and investigating complaints or issues of non-compliance.

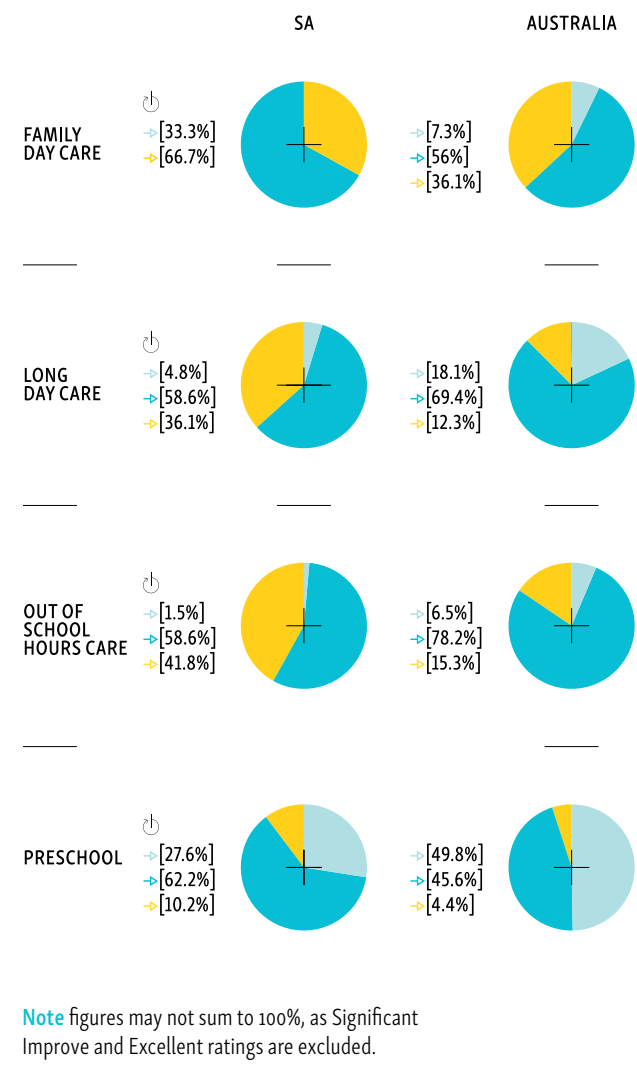
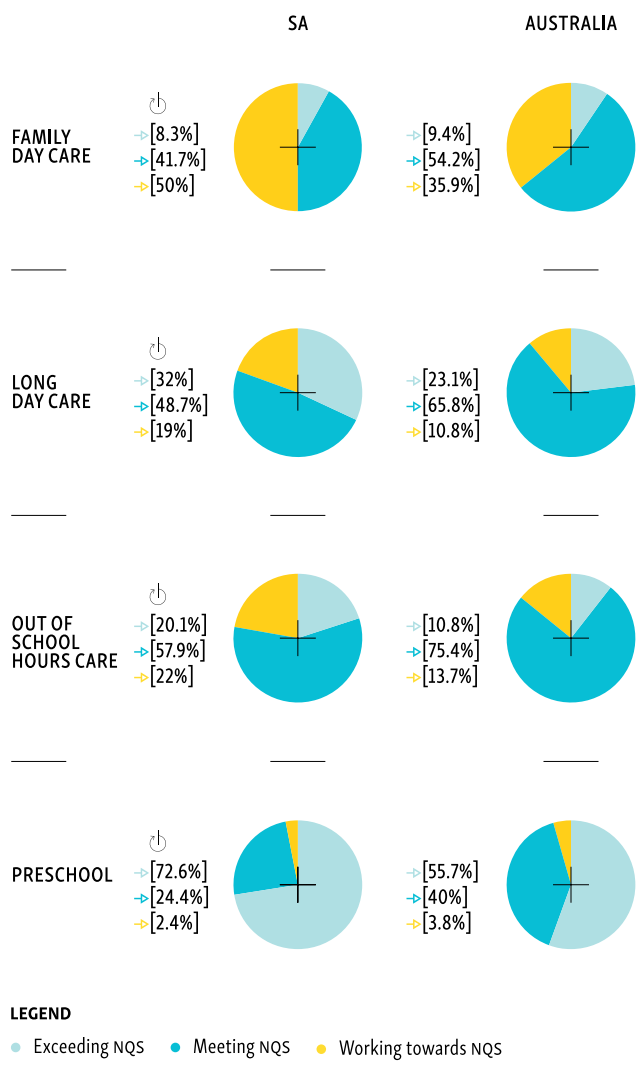
The ESB can enforce compliance action, which might include education and guidance, warning letters, restrictions on the approval to operate, or suspension or cancellation of approvals to operate.

The National Quality Standard was revised in 2018. However, 57 per cent of South Australian services still hold a rating against the 2012 standard, compared to just 16 per cent of services nationally.<sup>31</sup> Analysis undertaken on behalf of the Commission found that, on average, long day care services in South Australia were assessed against the National Quality Standard five years ago.<sup>32</sup>

The Commission strongly believes that the frequency of quality rating cycles is important to ensure individual services and the system as a whole are meeting the necessary quality standards. The current rating cycle in South Australia makes it hard for families to be fully informed about the quality of preschool and other early childhood services.<sup>33</sup>

This report reiterates the view expressed in the Interim Report that:

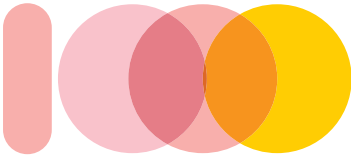
In acknowledging the importance of quality preschool [and other early childhood services] for children, ensuring those markers of quality are met through a timely assessment process is vital. The resource needs of the ESB should be reviewed through the lens of ensuring rating cycles in South Australia are in line with the national average at a minimum.<sup>34</sup>



Note figures may not sum to 100%, as Significant Improve and Excellent ratings are excluded.

**Left | Figure 4:** South Australian National Quality Standard Ratings—by service type, against national average  
 Source: ACECQA National Quality Standard Time Series Data, Q1 2023

**Right | Figure 5:** South Australian National Quality Standard Ratings against the NQS 2018—by service type, against national average  
 Source: ACECQA National Quality Standard Time Series Data, Q1 2023



Much of the day-to-day work of the ESB is done by Authorised Officers. To qualify to make assessment and ratings, Authorised Officers must undertake the relevant Australian Children's Education and Care Quality Authority (ACECQA) training and participate in its quality rating reliability assurance programs. They must have the skills and experience to enable informed assessment of the pedagogical aspects of the National Quality Standard.<sup>35</sup>

Ideally, this should lead to a degree of consistency between assessing officers and jurisdictions; however, stakeholders suggest this is not the case.

The Education Standards Board (ESB) submission advises that it is 'undergoing internal review and reform to reset its regulatory posture to a more proactive approach with a greater focus on quality and transparency.'<sup>36</sup>

Sector feedback received by the Commission agrees that there is a shift in approaches to assessment and rating across all regulated service types. However, this has been experienced by some stakeholders as a shift in focus on compliance and enforcement rather than education, support and continuous improvement.

Stakeholder roundtables have talked about the challenge of the Education Standards Board's reset of its regulatory posture, with some providers experiencing inconsistent approaches to assessment and rating, and variations in decision-making capacity, and experience and knowledge of quality.<sup>37</sup> The Commission further notes the pressure that will be placed on the ESB as a result of the recommendations of the Royal Commission. The establishment of new services and adding capacity to existing services will lead to increased service approval applications, waiver applications for changing use of space (for example, in out of school hours care), and likely additional waiver applications in relation to workforce.<sup>38</sup> The Commission understands that the current approval timeframes for waivers can be lengthy.

It is clear to the Commission that the ESB is struggling to perform its legislated functions.

The Commission acknowledges the efforts of the Registrar and the ESB to drive reform and has already recommended in its Interim Report that additional resourcing be provided. However, more support should be given to ensure their success, and that the reform meets the needs of the sector.

The Commission considers that an independent change management panel should be appointed by the Minister for up to two years to support the Registrar and the Education Standards Board in leading reform.

The panel recommended in this report should be authorised to work with the ESB and the Registrar to oversee and advise on all aspects of reform.

# The first 1000 days— connected services

## Findings

Stacking multiple evidence-based services in the early years, in particular antenatal care, nurse home visiting, early childhood education and care, and parenting programs, improves outcomes for children in the first 1000 days.

The work of the early childhood workforce in connecting families to the supports they need is often referred to as 'the glue'. The Interim Report found this work is underfunded and under-recognised.

Creating 'the glue' is challenging given the involvement of different layers of government and non-government players in early childhood services. As detailed in Recommendation 3 regarding a national settlement of roles and responsibilities, the South Australian Government should ensure 'the glue' is explicitly considered.

The evidence shows that one effective way of providing the 'glue' is through integrated, co-located services.

Integrated service delivery through children's centres or similar models can have a meaningful impact on community outcomes.

There is a need to better understand how to scale integrated service models effectively and ensure they are delivering the best quality outcomes to the targeted community.

Key enablers of integrated service delivery include appropriate physical facilities; community engagement; fit-for-purpose governance; shared and appropriate workforce capabilities; and facilitative financial arrangements.

Integrated service delivery hubs are part of but not a complete answer to providing 'the glue' that sticks services to each other. Not every community's needs are well served by this model (for example, they may be too geographically dispersed). Even if a community has an integrated service delivery hub, there is a need to ensure there is 'glue' between the full network of actors in early childhood education and care in the local community.

All this means that 'the glue' must be supported in a variety of ways. In its Interim Report, the Commission concluded that the work of identifying children's developmental needs, connecting children to interventions, and providing pathways to broader parental and community supports should be defined as inherent to the delivery of preschool and should be funded accordingly. The Commission remains committed to this approach.



# Recommendation 8

## Connecting services in the early years

That the State Government promotes a vision of place-based, responsive and connected service delivery in the early years. This should include:

- a. creating regular opportunities for connection ('the glue') between different service providers working with families with young children in local areas, leveraging the local teams for implementing three year old preschool in Recommendation 16
- b. making integrated services the default for all newly established State Government early years services, including preschools and schools, community health, parent and infant mental health and parenting supports, with variance from the default only occurring because of the needs of the local community
- c. integrating into the normal process of maintenance and upgrade the creation of appropriate physical space for integrated or multidisciplinary work in State Government early years services which lack such facilities
- d. identifying and sharing the most effective and cost-efficient models of supporting service connection and integration, both when services are co-located and when they are not. This could include, for example, trialling linkage models, community navigators and different governance approaches to co-located services
- e. building a community of practice for integrated service provision, drawing on the strengths of the existing Children's Centres network, and building out to include non government providers and different service types.



.....

ECEC [early childhood education and care] settings offer a great opportunity for a centralised hub for health, growth, and development in the Early Years. Given ECEC sites already offer on average between 1–4 additional services, inclusive of speech pathology, health and parenting support, and playgroups, there is innovative opportunity to serve as sites for interprofessional, student led services, such as the Flinders University Health2Go clinics. Services could be extended to include vision, hearing and other neurosensory assessment to ensure that children are school-ready. We know that such models have proven benefits for children and therefore should extend to include early education, nursing, and allied health services. This will improve access to comprehensive early education and health care, provide workforce opportunity and reduce the siloing that currently exists in the Early Years System.





There is compelling evidence about the benefit of stacking multiple evidence-based services in the early years, in particular antenatal care, nurse home visiting, early childhood education and care, and parenting programs, to improve outcomes for children in the first 1000 days.<sup>39</sup>

Early childhood education and care services frequently engage in unpaid and unrecognised work connecting children with services.<sup>40</sup> The Commission's Interim Report shone a light on new data about the work, described as 'the glue', that long day care providers and government preschools do building relationships with families and connecting them to services, such as FoodBank, social work and allied health support.<sup>41</sup>

Teachers and directors play an important role by building safe relationships with families and service providers, and helping connect families to supports. Building these connections takes time but the amount is hard to define and, as a result, hard to fund. Yet the difference it makes to children and their families is significant.

As in the Interim Report, the Commission acknowledges this often-unnoticed work.

One way services can connect is through integrated service delivery. The Commission has received evidence about integrated service delivery as well as place-based approaches.<sup>42</sup> These are strong and effective ways to bring services to children and scaffold support around those who need it most.<sup>43</sup>

South Australia has a proud history of delivering integrated early years services in the Department for Education Children's Centres for Early Childhood Development and Parenting (Children's Centres). The leaders of these services have significant insight to share.<sup>44</sup>

Many organisations have taken the time to provide the Commission with case studies, including the Mark Oliphant College Children's Centre, Cowandilla Children's Centre, Nazareth Early Childcare Centre, the 'Early Years Places' approach supported by the Benevolent Society, an approach by Save the Children in Whyalla and many others.

The Commission thanks these organisations for the time and care taken with these case studies and recommends policymakers and interested parties read this material and absorb the insights.

The Commission has also received submissions about a broader spectrum of activities that could be housed or connected to integrated service hubs, including public library services, playgroups and parenting programs.<sup>45</sup> Mr Sam Green, Chief Executive of the City of Playford, told the Commission of the importance of services delivered locally by people who are part of the community as a soft entry point to support for many families.<sup>46</sup>

These submissions highlight the importance of service design reflecting engagement with the local community about its needs and interests, rather than a one-size-fits-all model.

The Interim Report recommended, and this Final Report confirms, that new integrated services should be commissioned in areas of developmental vulnerability. Some submissions have suggested that these new services should be led by government, in particular, Department for Education services.<sup>47</sup>

The Commission's view is that while government may be an appropriate lead, in some communities the most appropriate lead may well be non-government service providers with embedded links to their community. This includes Aboriginal Community Controlled Organisations, as discussed later in the report. The final decision needs to be made on a community-by-community basis.

At the same time as acknowledging their potentially transformative impact, many submissions acknowledged the challenge of successfully scaling place-based initiatives and the more specific challenge of service integration. As noted by Burgemeister et al (2021):

[W]hile the theory underpinning place-based approaches is sound, issues such as poor problem conceptualisation, lack of understanding of the spatial scale of problems, and initiatives overreaching relative to their funding and timeframes means successful initiatives are rare.<sup>48</sup>

However, evidence about key enablers of successful integrated service delivery is growing. This is canvassed in the discussion, opposite. The State Government should continue to build on this evidence through a dedicated program to trial, evaluate and continually improve models of service connection and integration in the early years.

While increasing the number of integrated service hubs is important, South Australia's children do not all live in areas that will sustain an integrated model. Even when there is an integrated hub, not all services will be available to meet all needs. In addition, limitations in public transport may mean outreach models are necessary to get services to particular communities.

To truly fulfil its purpose 'the glue' must be more than a building, a co-located group of professionals, an integrated service hub or a Children's Centre. The Commission understands that what will work best in communities differs and there are many innovative ideas. For example, there is growing support for the concept of community navigators, who would provide a formalised version of 'the glue'.

The State Government should focus on building the evidence base about what works in a range of communities and different forms of 'the glue'.

As discussed in relation to the National Vision for Early Childhood Education and Care, the Commission's view is that a national settlement should see the State Government's remit as responsible for quality and broader system connection. This would see responsibility for funding 'the glue' fall squarely to the State Government.

In this context, the Commission has already recommended that the State Government take on this responsibility in relation to preschool in the two years before school.

However, in the absence of that settlement, the Commission notes that funding will continue to need to be negotiated between a range of partners, including the Commonwealth and local governments.

In any event, there will be a need to establish and update the State Government's funding model for integrated service hubs, including for Children's Centres, to reflect the refreshed approach.

The Commission notes that some directors of Department for Education Children's Centres have expressed concern about recent changes in resource allocation for the Children's Centres.<sup>49</sup> The tension between funding universal or soft-entry point services, or using that funding on higher intensity intervention services, is ultimately a question for the State Government and a matter of balancing competing needs and priorities.

However, Children's Centres are highly valued in their communities, and it is important that all centres have sufficient funding for successful delivery of integrated services.

## The enablers of successful service integration

The Royal Commission has benefited greatly from submissions by, among others, directors of South Australia's Children's Centres, the National Child and Family Hubs Network convened by the Murdoch Children's Research Institute, and a recent suite of reports released by Social Ventures Australia into Integrated Child and Family Centre models.<sup>50</sup>

There are strong areas of agreement among these submissions, including:

- There is a need to bring together community and the data that government holds to enable community-led decision-making.<sup>51</sup>
- There is a need for culturally responsive services in all integrated service sites, and for something additional and closer to self-determination for dedicated Aboriginal centres (this will be further discussed in a section below).
- Co-located services should have a common approach to interaction with families, which in turn requires common workforce development.<sup>52</sup> As noted by the Centre for Community Child Health at Murdoch Children's Research Institute:

.....

Relationships are vital for healthy development and functioning. We therefore need service systems that promote caring relationship-based services and positive social environments for families.<sup>53</sup>

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- The workforce in such services require explicit support in developing the practice of multidisciplinary work<sup>54</sup>.
- The physical spaces in a service are suited to supporting multidisciplinary service provision, as well as multidisciplinary team collaboration.
- Effective governance and leadership models are crucial for effective operation of integrated services, including as notably identified in a 2018 evaluation of South Australia's children's centres.<sup>55</sup>
- Fit-for-purpose funding arrangements are needed. Social Ventures Australia recently commissioned an examination by Deloitte Access Economics of the elements of funding models to support successful operation of integrated services.<sup>56</sup>

This analysis noted the importance of funding 'the glue', which includes staffing time and workforce development, but also business operations and oversight, community outreach, shared technology and data capture, and learning systems.

Helpfully, the analysis examines the advantages and disadvantages of different distributions of responsibilities for funding integrated services between levels of government.

As identified earlier in this report regarding the National Vision for Early Childhood Education and Care, the future distribution of roles and responsibilities between different levels of government is still in development.

It is important, however, that governments do not lose sight of the importance of funding 'the glue'—no matter where it sits in a final national settlement.

The Commission's view is that discussion about roles and responsibilities should include the question of integrated child and family centres. It commends the Social Ventures Australia / Deloitte Access Economics analysis as a framework to inform future negotiations.

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# The first 1000 days—accessibility, choice and quality of early childhood education and care

## Findings

### Accessibility of early childhood education and care

Ensuring accessibility of early childhood education and care, in particular long day care, has been a focus of Commonwealth, state and local government policy for over five decades.

The Commonwealth's Child Care Subsidy currently underpins the overall functioning of the early childhood education and care market. While it has successfully increased access in a range of areas, it has been unable to ensure universal availability of early childhood education and care, in particular in the regions.

As a result, economic benefits are being lost because parents, especially women, given the current social norms of who takes the primary responsibility for care, are unable to participate in the labour market at their preferred level.

Roles, responsibilities and available policy levers will continue to change with the forthcoming reports from the Australian Competition and Consumer Commission and the Productivity Commission. As a result, the future shape of the early childhood education and care market is still subject to further negotiation.

A national settlement along the lines endorsed by the Royal Commission would see the Commonwealth assume lead responsibility for supporting accessibility, including affordability.

If this settlement were achieved, the Commonwealth would need a range of additional or expanded policy levers to improve the accessibility of early childhood education and care, in particular in the regions. These could include funding, either directly or via other levels of government, capital or up-front operational costs of new services; ongoing operational subsidies for services with inherent marginal viability (for example, in regional areas of low population but high need); support for alternative service models that make provision in under-served areas easier; or supporting other levels of government to establish and operate new services directly.

Noting that the provision of early childhood education and care, notably long day care, is occurring within a relatively mature market, any interventions in supply must be cognisant of the question of moral hazard and, in particular, the danger of providing ongoing support to services that could be financially self-sustaining.

The different needs of communities mean that different supports will work to improve access.

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## Choice and quality in early childhood education and care

The State Government has an interest in the composition of the early childhood education and care sector, noting it impacts the quality of the education and care children receive.

There are meaningful differences in the workforce tenure, workforce pay, fees charged between different long day care provider types and provider sizes. On average, not for profit providers perform better on these metrics, as do standalone providers.

Analysis undertaken by the Royal Commission shows that 28 per cent of long day care providers do not have a fully qualified early childhood teacher (ECT) in a designated role. For-profit providers and large providers are significantly over-represented in these figures, in particular in relation to waivers from the Education Standards Board regarding ECT requirements.

Breaking down South Australia's long day care provision by type shows that the state has a lower rate of for-profit provision of long day care than the national average (53 per cent in South Australia versus 69 per cent nationally). The 47 per cent of long day care which is provided by the not-for-profit sector in South Australia comprises 59 per cent community managed services, 33 per cent Goodstart services and 8 per cent other services.

Breaking down South Australia's long day care provision by provider size shows that the state has around the national average of services provided by large providers (31 per cent in South Australia versus 30 per cent nationally). The 69 per cent of long day care which is provided by standalone providers, comprises 47 per cent community-managed not-for-profits, 37 per cent for-profits, and the remainder are a mix of independent schools, state and local government services, and independent not-for-profits.

## Recommendation 9

### State Government proactive role in identifying and resolving questions of child care and OSHC accessibility

That the State Government plays a proactive role in identifying and resolving questions of child care and out of school hours care (OSHC) accessibility, including:

- a. negotiating with the Commonwealth to reach the new national settlement described in Recommendation 3
- b. as detailed in Recommendation 10 in relation to child care:
  - ⦿ taking action itself in order to meet critical needs, with such changes viewed as models which can provide an evidence base for the intergovernmental negotiations
  - ⦿ once a new national settlement has been reached which encompasses the Commonwealth meeting access and affordability needs, continuing to provide the needs identification and supply support roles.
- c. as detailed in Recommendation 33 taking on going action in relation to OSHC accessibility.

## Recommendation 10

### State Government actions to support child care accessibility

That the State Government's proactive role in identifying and resolving questions of child care accessibility should include as continuing activities:

- a. a clear definition of the current role for State Government in resolving undersupply
- b. funding business cases for communities with no access
- c. providing a clear description of options for communities seeking to set up new services in areas with limited supply
- d. regular provision of supply and demand information by Infrastructure SA
- e. reporting against a benchmark performance indicator of two years from identification of the need for a new facility in an area meeting a specified threshold of demand, to its successful establishment
- f. sharing existing government facilities (for example, school sites) to support establishment of new services
- g. governance and administrative support for volunteer committees setting up local, community managed not-for-profit services
- h. support for innovative service models, such as 'in-venue care' or shared corporate services support for community-managed not-for-profits
- i. targeted strategies to support localised workforce development (see also Recommendation 22).

While negotiations with the Commonwealth are ongoing, the State Government should consider direct provision or procurement of services in some circumstances, including through the expansion of rural care or potentially associated with commissioning three-year-old preschools or integrated children's centres, with a clearly articulated and transparent policy for when the State Government will provide services directly.

Further, the State Government could consider a range of other actions to meet critical need and demonstrate new models of action, such as:

- support for family day care educator establishment, through small business grants or onboarding
- provision of concessional financing to support capital for a new service or expansion of an existing service
- provision of capital funding and/or land to support establishment of a new service or expansion of an existing service
- procurement of a provider for a new service.

## Defining clearer roles for governments to support access, choice and quality

On behalf of the Commission, the Council for Policy Development has developed a chronology of key Commonwealth interventions in child care policy (available on the Commission's website).

This history reminds us that there is no inevitability to the current set of arrangements.

Further, there are more changes to come in light of current inquiries underway.

As noted previously, the Commission considers that the State Government should strongly engage in the National Cabinet discussion around early childhood education and care to achieve a national settlement of roles.

In that context, the State Government should be expansive in considering its response to the recommendations in this report, while mindful of the evolving role of the Commonwealth, particularly in light of the Productivity Commission inquiry.

Using the system stewardship function and leadership of the Office for the Early Years, the State Government should advocate for that clarity of roles going forwards.

However, the Commission considers that the likely changes in the Commonwealth Government's posture does not remove the State Government's responsibility for some necessary and urgent actions.

## The role of local government

The Commission spent some time in the City of Playford, a large council area in Adelaide's northern suburbs, in May 2023.

In doing so, the Commission was generously hosted by the Stretton Centre and extends thanks to the team at the Stretton Centre for so capably hosting our northern roundtable and public hearings.

The Commission heard evidence from the City of Playford Chief Executive, Mr Sam Green, about the role local government plays in serving the community and the trust that the community holds in the council.

Mr Green talked to the Commission about the diversity in the City of Playford; it is a young, diverse and growing part of Adelaide, and 'seven new people call Playford their home every single day'.<sup>57</sup>

Services delivered by the council include community centres, a food co-op, libraries, sport and recreation, cultural pursuits and community gardens. Mr Green told the Commission about the challenges of making services accessible to people with limited access to transport.

He noted the historic 'walkability' of neighbourhoods had been undermined by urban planning of communities, which necessitates increased reliance on vehicle access. He sees an opportunity to bring communities back to walkable local spaces with local services.

The Commission notes the importance of community connection and the role of local government in supporting connection.

Mr Green also talked of the role that councils can play in planning and service design. This is partly through their close community connections, but also because of their expertise and responsibility in land use planning.

The Commission acknowledges the important role of partnering with local government to deliver connected, accessible services. In defining roles of government, this important tier must not be missed.

## Responding to child care deserts

While the long sweep of history shows consistent progress in the ability of families to access care, the Commission has received submissions and heard evidence about the significant challenges associated with establishing early childhood education and care services, notably in regional areas.<sup>58</sup>

This was supported by evidence from Associate Professor Peter Hurley about so-called child care deserts. As he told the Commission, according to the analysis undertaken by the Mitchell Institute, ‘more advantaged areas had better access to childcare than disadvantaged areas, that inner metropolitan areas have better access than outer metropolitan areas and very strikingly, metropolitan areas had much, much bigger access than regional or rural areas.’<sup>59</sup>

The Commission has heard about the barriers that prevent existing providers from entering some regional communities. Regional Development Australia Yorke and Mid North provided a cogent summary of these barriers, including up-front capital costs for the facility, along with the ability to secure funding; uncertainty about the financial viability of the service; and concerns about the ability to secure a workforce.

Their submission notes the particular challenge of attracting a provider where demand is between 25 and 50 children. Below 20 enrolments, they argue, suitable existing community assets usually exist that can be repurposed for provision of care; above 50 enrolments, while total capital costs of a new build facility are larger, the return on investment makes it closer to being financially viable.<sup>60</sup>

At roundtables hosted by the Royal Commission, providers noted that their assessment of demand often differed from that of local communities, suggesting an opportunity for improved supply and demand analysis.<sup>61</sup>

The Commission has heard evidence that the South Australian Department for Education has resisted the expansion of its rural care program, which involves the Department directly providing early childhood education and care services (including out of school hours care).

However, the Department is increasingly providing support for communities in the form of financial support for business cases, as well as advice about appropriate governance.

While this support has been welcomed, the Commission has heard evidence about the significant workload and responsibilities being asked of volunteer committees to effectively establish and run new businesses in this strictly regulated area.<sup>62</sup>

The Commission notes the existence of innovative models that support community-run services more effectively, such as the Regional Early Education and Development Inc model operating in regional Western Australia. Under this model, individual community-managed services have affiliated with central governance and administrative support provided by the umbrella organisation. The Commission notes the importance of working with, and harnessing the energy of, the local communities to support solutions that work for them.<sup>63</sup>

More recently, the State Government has provided capital funding to some communities (building on practice identified in the Centre for Policy Development chronology as occurring in the 1990s), often in partnership with the Commonwealth, and under only loosely related grant programs (for example, natural disaster recovery).

A national settlement that clarifies the roles and responsibilities for ensuring access to early childhood education and care, including through capital provision in areas where there is no financially viable model, would prevent regional communities from spending years navigating different grants programs and levels of government. This settlement would unlock economic capacity much sooner.

A shortage of workforce was also consistently identified as a constraint on expanding or setting up new services to meet demand in regional communities. At roundtables, the Royal Commission heard of the very difficult decisions being made by regional service providers in choosing which families would receive a place in their service because of workforce shortages.<sup>64</sup> As will be further explored in Part Two, the State Government could deploy a range of policy levers locally to support workforce development.



## The activism of regional women in under-served communities

Ms Kristen Wilks (supported by Ms Kirsty Starling), Ms Stephanie Wurst and Ms Katie Hughes provided evidence to the Royal Commission about their experience leading longterm campaigns within their communities in the South-East, Kangaroo Island and Southern Yorke Peninsula to secure local, state and Commonwealth government support to provide their communities with access to child care.

The Commission thanks the women who presented evidence at the public hearings and acknowledges their extraordinary service to their communities and the volunteer committees that they represent.

The talent and endeavour of community members is apparent, as is the economic dividend that is being missed through their exclusion from the workforce while their children are young.

In most cases, the process of establishing early childhood education and care services in their community has been so protracted that volunteers' own children will not benefit from any success, having already outgrown the need for child care.

There is an opportunity for both the Commonwealth Government and the State Government to do better for these communities.

The evidence received by the Commission also canvassed other policy levers available to the State Government to support increased provision in thin markets.

Dr Danielle Wood of the Grattan Institute noted that the New South Wales and Victorian governments have recently entered this space using quite different approaches: the Victorian Government seeks to build and operate 50 new services and the New South Wales Government is likely to tender for operators in under-served areas. 'Personally, I'm a little more attracted to the model where governments just do it directly,' she said.<sup>65</sup>

The Commission notes the particular force of this position in areas where currently the Department for Education is already the only provider of early childhood education and care services through government preschool.

Just as it is not the intention of the Commission to recommend ongoing subsidies to services that should be able to operate viably, nor is it the Commission's intention to recommend that any level of government establishes or operates services that could operate viably in the current market.

As already noted, it is important there is long-term clarity about the respective roles of the Commonwealth Government and State Government in ensuring access to services. While these matters are being negotiated, the State Government should be clear about the boundaries within which it will expand its current rural care service or establish new service provision, which may be potentially associated with the commissioning of three-year-old preschools or integrated children's centres. This transparency will also support communities, which find the Department for Education's current position frustratingly inconsistent.

While submissions largely focused on long day care, the Commission has also received submissions about the importance of more flexible models of care, in particular, including opportunities to expand family day care.<sup>66</sup>

The Shop, Distributive and Allied Employees Association (SDA) submission drew the Commission's attention to the challenges of sufficient flexibility of care arrangements for many workers, describing in persuasive detail the compounding effects of insecure work and inflexible child care.

The Family Day Care Association of Australia has suggested some potential approaches to halt the national decline in family day care provision, including small business grants and support for onboarding new educators similar to an apprenticeship model.

The Rororo Childcare Working Party have described the impact of limited child care in their region (in the mid-north of South Australia) and how potential family day care educators have withdrawn from the application process, in part due to the qualifications needed and because working towards a relevant qualification was not accepted (despite being accepted interstate).

The Rororo Childcare Working Party encourages the Commission to recommend changes to make in-venue care easier for family day care providers.<sup>67</sup> The Commission agrees that there is significant scope for this model and it should be progressed by the State Government. This is further discussed in Part Three, at Recommendation 43.

The Commission is mindful that Commonwealth policy settings shaping the market may well change and jurisdictions may negotiate a settlement that is clearer about respective roles and responsibilities in ensuring access to early childhood education and care.

In making its recommendations, the Commission has therefore identified those policy levers that clearly fall within the State Government's remit. The Commission has also identified a policy lever that should be used while negotiations are continuing and others that could be used.

#### Establishment

Infrastructure SA to regularly provide supply and demand mapping and insights

Office for the Early Years to support local communities to develop business cases for new services

#### Capital

Sharing of existing government facilities (e.g. school sites) to support establishment of a new service

#### Governance

Office for the Early Years to provide governance and administrative support for volunteer committees setting up a local, community-managed not-for-profit service

Office for the Early Years to support innovative service models; for example, 'in-venue care' for family day care or shared corporate services support for community-managed not-for-profits (such as the REED model in Western Australia)

#### Workforce

Office for the Early Years to support localised workforce development initiatives.

**Table 1:** Policy levers clearly in the State Government's remit for ensuring accessibility of child care in thin markets

#### Establishment

Direct provision of service by Department for Education in some circumstances.

Market settings to support family day care growth, through small business grants or support for new educator onboarding

Procurement of a provider for a new service

#### Capital

Provision of concessional financing to support capital for a new service or expansion of an existing service

Provision of capital funding and/or land to support establishment of a new service or expansion of an existing service

#### Governance

Market settings that support providers of new services to operate viably (noting that in only rare and defined circumstances would up-front or ongoing subsidies be justified to support a service)

**Table 2:** Additional policy levers for ensuring accessibility of child care in thin markets

## Other potential areas for market re-design or consideration—the question of market composition and oversupply

The Centre for Policy Development chronology of Commonwealth intervention into child care, available on the Commission’s website, offers insights into some of the systemic pressures that face community-managed not for profit services.

Notably, the major Commonwealth Government and State Government programs that provided capital investment to underwrite the establishment of many of these services ended over 25 years ago.

The dated facilities of many community-managed not-for-profit services contrast with the generally positive service characteristics of workforce tenure and conditions in this sector.<sup>68</sup>

The Commission further notes that the relative infrequency of assessment and ratings processes makes it harder for parents to make informed choices between services.

Without easy access to readily comparable ratings, and with no information about individual services’ workforce tenure and conditions (and the connection of this to quality), the Commission’s view is that some—maybe many—parents will make choices based on the way facilities look.

This may, in turn, make it harder for more established not-for-profit services to compete with new entrants in areas of oversupply.

In its discussion of three-year-old preschool implementation, the Interim Report recommends ‘State Government support for additional capacity through investment in capital work (minor or major) be predicated on the nature and quality of the early childhood education and care system it envisions.’<sup>69</sup>

The Royal Commission has heard discussion at roundtables about the impact on existing providers of oversupply of early childhood education and care in some locations.

The Australian Competition and Consumer Commission (ACCC) has released its interim report and notes its early analysis suggests ‘that providers may be more likely to operate in more advantaged areas and charge higher fees, as they expect households to have a higher willingness or capacity to pay’.<sup>70</sup> The Commission notes that the ACCC will undertake further work on this.

Data compiled by the Commission into the use of exemptions from requirements to have a teacher on site in long day care settings has shown a worryingly high number of services currently do not have a fully qualified early childhood teacher in a designated role.

In the first quarter of 2023, 129 services either had a waiver for meeting the National Quality Standard in place from the Education Standards Board and/or were employing someone with a Special Authority to Teach from the Teachers Registration Board.

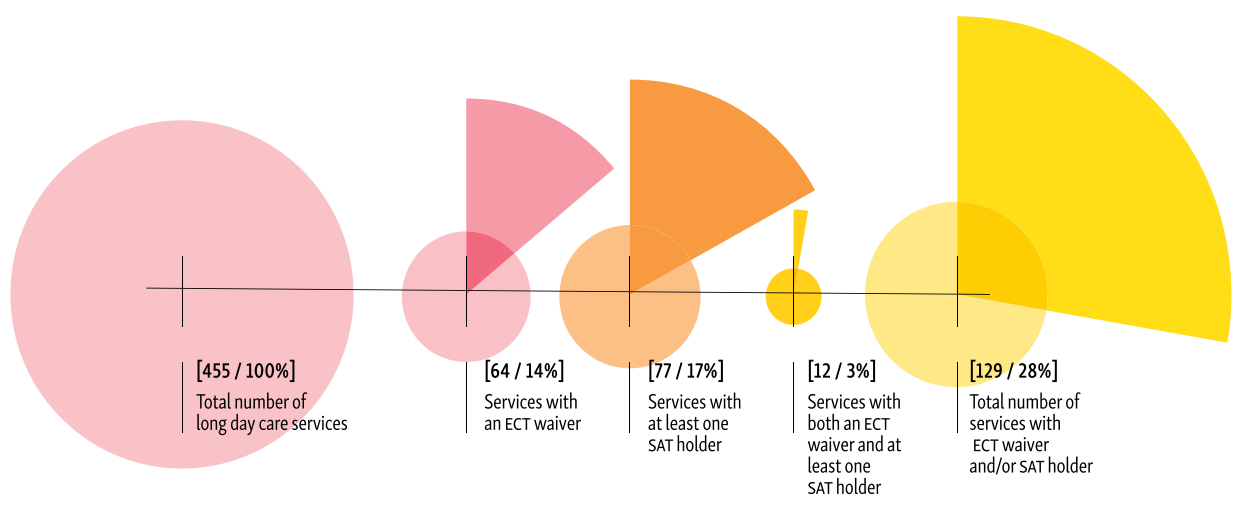
This is 28 per cent of all long day care services.

The implications of this finding will be discussed further in Part Two in relation to workforce.

Of relevance for the discussion here is the significant over-representation of for-profit providers in both exemption types, and of large providers in relation to waivers for ECT requirements from the National Quality Standard.

It is the view of the Commission that the State Government has an interest in ensuring that South Australians have quality choices for early childhood education and care. This involves turning its mind to the question of provider type and size, and considering whether particular providers are being pushed out of the market, to the detriment of South Australian children.

In the first instance, the current Productivity Commission inquiry is an appropriate mechanism for progressing this analysis.

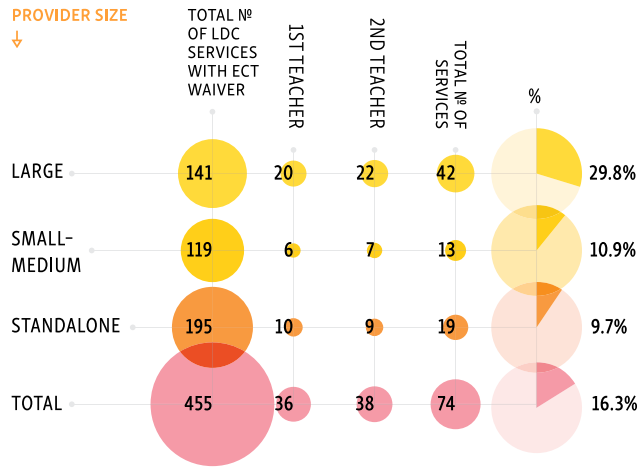


**Figure 6:** South Australian long day care services with an Early Childhood Teacher (ECT) waiver (exempting them from National Quality Framework requirements), or a Special Authority to Teach (permitting someone without full qualifications to register as a teacher) (Quarter 1, 2023).

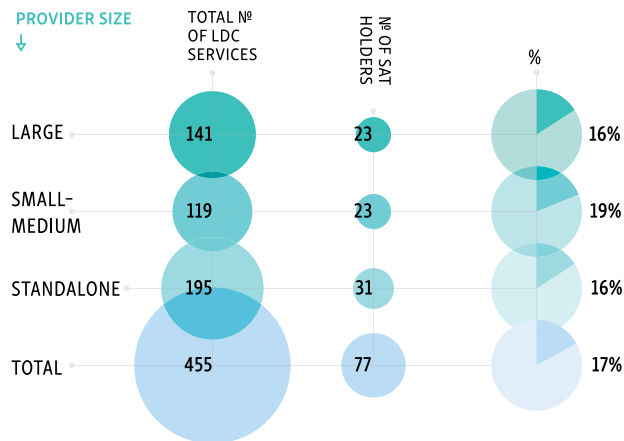
**Left—Figure 7:** ECT waivers from National Quality Framework requirements by management type, showing whether the waiver is being provided for the first or second required ECT in a service (Quarter 1, 2023).

**Right—Figure 8:** Special Authority to Teach by management type (Quarter 1, 2023).





**Figure 9:** ECT waivers from National Quality Framework requirements by provider size, showing whether the waiver is being provided for the first or second required ECT in a service (Quarter 1, 2023).



**Figure 10:** Special Authority to Teach by provider size (Quarter 1, 2023).

Source for Figures 7 to 10: Internal Royal Commission analysis based on data from Education Standards Board and Teachers Registration Board.

# The first 1000 days—progressive universalism in the early child development system

## Findings

Progressive universalism refers to the capacity of a universal service delivery platform to ‘ramp up’ the intensity or nature of services to meet the needs of those for whom a standard service is not enough.<sup>71</sup>

Building early child development services that are progressively universal ensures children from families in all different walks of life receive the supports they need.<sup>72</sup> This is particularly important given South Australia’s pattern of developmental vulnerability across all socioeconomic groups, with growing vulnerability in higher socio-economic areas.

Three elements of the early child development system are universal service platforms that should be delivered according to the principle of progressive universalism: pre-natal and maternal and child health (including home visiting); parenting supports; and early childhood education and care.<sup>73</sup>

### Pre-natal and maternal and child health (including home visiting)

Universal child development checks provide a strong platform for identifying children with a need for additional support.

### Parenting supports

Families have the single biggest impact on the lifelong outcomes of children.

The current network of support and advice for families can be disconnected and confusing.

Education and advice for parents should be easy to access and delivered in ways that encourage and build confidence. Providers of education and advice should have the information and capacity to warmly connect families to where to find more support if it is needed.

Playgroups play an important role as a universal service platform in the early years.

### Early childhood education and care

Disadvantaged children are less likely to access early childhood education and care, and most likely to benefit from it.

High-quality early childhood education and care in the first 1000 days of a child’s life can ameliorate the impacts of disadvantage.

Successful inclusion of disadvantaged or vulnerable cohorts in early childhood education and care can require investment in additional staffing, capability building, additional services and/or outreach.

There are significant opportunities to do more to connect families under pressure with early childhood education and care, providing children with safe places and families with time and space to build resilience.

Careful co-design of programs is required to avoid persistent non-engagement by families fearful of child protection responses.

There are evidence-based intensive and/or therapeutically focused models of delivery of early childhood education and care that can make a powerful difference to lifelong outcomes. The State Government should recognise these and build them into their models of support.

## Recommendation 11

### Child development checks

- a. That the State Government task the Premier's Delivery Unit to work with the Office for the Early Years and the Child and Family Health Service (CaFHS) to ensure a successful expansion of the system of universal child development checks, including both the frequency of checks and achievement of the maximum possible participation.
- b. That, as part of this work, the timeframe for connecting parents and carers to early parenting groups is monitored and reported, with consideration given to an 'opt out' rather than 'opt in' model to ensure universal provision.

## Recommendation 12

### Giving parents and carers information and supports for child development

- a. That the State Government continue, and expand, its support for Words Grow Minds, which provides simple and consistent messaging to parents of young children about how best to support their child's development in the first 1000 days, delivered through a variety of channels.
- b. That the State Government develop and engage in a communications campaign with families and communities on:
  - the importance of preschool
  - the new three-year-old preschool program
  - how to find a preschool program
  - how to understand and assess quality at your preschool.

This could start ahead of the roll out of three-year old preschool, with additional layers of content closer to 2026.

This recommendation responds to the Interim Report Recommendation 21 seeking feedback in relation to a 'kindy tick' program.



## Recommendation 13

### Leveraging early childhood education and care in the first 1000 days to reduce developmental vulnerability

That the State Government leverage early childhood education and care provision to meet its long-term aspiration of reducing developmental vulnerability.

Noting this is an area of shared responsibility with the Commonwealth, and that the roles and responsibilities may change, this should include:

- a. designing 'the glue', as envisaged in Recommendation 8, to promote opportunities for sharing and learning about evidence-based approaches to successful inclusion, and to enable developmental concerns identified in long day care, family day care or other services to be the subject of 'warm referrals' to the right service provider
- b. in operationalising Recommendation 11, ensuring there are linkages and exchanges between the Child and Family Health Service (CaFHS), other development check providers, and early childhood education and care services to share knowledge about emerging developmental trends
- c. closing the research translation gap by sponsoring on-demand, cost-free access to expertise on areas of particular interest, such as neurodevelopment, autism, attachment, trauma, complex behaviours or complex communication difficulties
- d. providing free training for early childhood education and care services on the newly released *National Guideline for supporting the learning, participation and wellbeing of autistic children and their families*<sup>74</sup>
- e. initiating formal processes to monitor participation and attendance of vulnerable cohorts once the measures discussed above to streamline 'the paperwork' burden on staff and services are addressed
- f. when the State Government is in a position to assess the outcomes of the Inclusion Support Program (ISP) review, considering additional investments in building the capability of services to successfully include children with additional needs, including those with disability, neurodiversity or impacted by trauma
- g. sharing relevant knowledge, best practice and training materials on inclusion with out of school hours care (OSHC) providers and staff who are also facing the challenge of offering services which can be open and welcoming to all
- h. facilitating community liaison programs for ongoing connection between early childhood education and care services and locally relevant cultural and linguistic groups, noting this could be an appropriate use of inclusion funding by services.

## Recommendation 5

### Actions for the Commonwealth Government

#### That the Commonwealth Government:

- ensures the State Government has regularly updated access to Child Care Subsidy data to support system design and insight into system-wide participation
- **extends changes to the Child Care Subsidy to enable all families to access up to three days a week of care without the need to meet any activity test**
- **considers adopting a needs-based funding model for early childhood education and care, in recognition of the additional costs of effective inclusion of disadvantaged cohorts**
- considers introducing differential pricing in the Child Care Subsidy for younger children with higher educator-to-child ratios
- ensures families of those children accessing out of school hours care (OSHC) located on a special school site are not unfairly financially disadvantaged by the higher costs associated with the provision of care to children with complex needs and disability
- supports an increase in the pay of early childhood education and care educators.

That the Commonwealth Government promptly amends the Child Care Subsidy Minister's Rules 2017 to allow out of school hours services operating on government preschool sites to be eligible for the Child Care Subsidy.

This recommendation is made:

- noting that Royal Commission modelling suggests South Australia currently misses out on approximately \$35.5 million per annum in Child Care Subsidy because it directly provides government preschool
- in light of the commitment made by the Commonwealth on signing the Preschool Reform Agreement to progress this matter
- most importantly, recognising that this facilitates the optimal arrangement for many children—the provision of in situ care on government preschool sites outside government preschool hours.

## Recommendation 6

### Investing in world-class evidence and translation into practice

That the State Government invests on a long-term basis in a leading research institute or consortium of research nodes, which should become central to creating and sustaining an evidence-based early childhood education and care system. The aim of the institute or consortium would be to position South Australia at the forefront of translating new global research insights into practical and deliverable reforms.

**The State Government should undertake the following initial research agenda and involve the newly established institute or consortium once it commences work:**

- a. **Trial, evaluate and continuously improve models of service connection and integration in the early years.**
- b. **Partner with the Commonwealth to trial Inklings, an early intervention program for children at risk of being diagnosed with autism.**
- c. **Work with the Commonwealth and other partners to fund and trial intensive early intervention in targeted cohorts.**
- d. Build the evidence base about how best to engage families of children identified as highest risk to ensure successful engagement across a range of contexts (noting risk is not limited to lower socio-economic areas). This should build on the opportunity identified in the Interim Report to trial different designs of outreach and engagement from 2024.
- e. Trial and evaluate different models of allied health and other support provision (for example, small group versus educator capability building) in early childhood education and care, with a view to continuously improving the offerings.
- f. Build the evidence base of the:
  - impact on attendance and outcomes of the current delivery model of the universal preschool entitlement of 15 hours each week over three days for 40 weeks, versus two days with longer hours, with a view to considering whether 15 hours is the appropriate use of government preschool hours at age three or four if clear evidence emerges
  - best method of targeting additional hours/days for children who require additional support at age three or four
  - impact of consecutive days on attendance and outcomes
  - impact of consistent groupings on outcomes
  - impact of transitioning between different settings in a child's daily life
  - benefit of two years of preschool with a stable cohort
  - relationship between workforce consistency and quality over time.

## Universal child development checks and the role of early intervention

Consistent with its Terms of Reference, which focus on the role of early childhood education and care in the first 1000 days, the Commission has not exhaustively examined all possible improvements across all elements of the early child development system.

However, some issues have recurred sufficiently within submissions, oral evidence and stakeholder roundtables for the Commission to provide commentary here.

A number of discussions about providing early intervention supports, for example, noted the importance of delivery on the State Government's ambition to ensure universal reach of child development checks.<sup>75</sup>

Child development checks are an important source of early identification and support. The Commission notes the critical importance of increasing their reach.

The South Australian Government submission notes that a focus on 'both developmental and health assessment, with timely access to medical support and health intervention when concerns are identified ... will support increase parental understanding of child development, developmental milestone achievements, and where and how to access support where required.'<sup>76</sup>

The Commission endorses this concept, as well as the South Australian Government's focus on delivering checks at locations and services where families are already attending.

Earlier in this report, the Commission has detailed its views about the need to create a child development data system and bolster 'the glue' that welds together the connections between early childhood education and care services and supports.

The Commission reiterates that these approaches are critical to getting children the right supports at the right time, which means as early as possible given early intervention has the highest success rate.

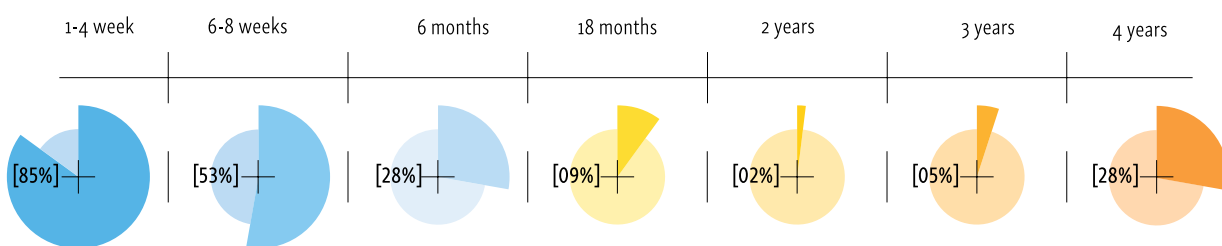
Delivering child development checks at the appropriate frequency to children wherever they are in the State is pivotal to the data collection system and the practical functioning of 'the glue', which includes warm and followed-up referrals to any extra needed services or supports.

Figure 11 shows the current reach of child development checks delivered by CaFHS and the reach of the various pilots offered by the Office for the Early Years.

The Commission notes the low participation, especially given additional \$8.3 million in funding was provided to the Office for the Early Years in FY 2022–23 to ensure universal uptake of checks, including new checks at ages 12 months and three years.

The Commission notes that this funding level will rise to \$16.7 million from FY 2024–25, meaning there is sufficient funding to ensure both universality of checks and the development of a supporting data architecture.

It may be that, in line with the roll out of three-year-old preschool, emphasis is placed on ensuring checks just before preschool commencement, and using these checks to inform families and educators about how best to ensure preschool caters for each child.



**Figure 11:** Proportion of population accessing child development checks via CaFHS and pilot programs commissioned by the Office for the Early Years 2022.

(Note that some children may have received checks through both CaFHS and the pilots, and so this is likely an over count of the population served. Note that data about checks undertaken by GPs under Medicare Benefits Scheme is unavailable.)

Source: unpublished data from SA Health and the Department for Education.

To ensure the expansion occurs in an efficient and timely way, the Commission recommends that the Premier's Delivery Unit work with the Office for the Early Years, as the commissioning agency, and the Child and Family Health Service (CaFHS), as a primary delivery agency, on the roll out.

Roundtable stakeholders have told the Royal Commission about long waiting lists for allied health when additional needs are identified.<sup>77</sup> Elsewhere in this report, the Commission has suggested trialling and evaluating different models of allied health provision in early childhood education and care, and noted the work of the Finders University Health2Go model.

However, the Commission is conscious that these approaches will not be sufficient to fully address allied health workforce shortages and, in any event, this issue is beyond the remit of this inquiry. The Commission simply notes that this is an area for further consideration by the State Government.

The Commission has been struck by the rapidly increasing rates of neurodiversity, and in particular autism, in young children. Widely cited statistics from the National Disability Insurance Scheme suggest that more than 1 in 10 boys between the ages of five and seven are NDIS participants (along with 1 in 20 girls of the same age).<sup>78</sup>

Autism is understood to be a key driver of this trend. Professor Andrew Whitehouse provided evidence about the prevalence of autism in the community, including that around one third of all participants in the National Disability Insurance Scheme live with autism.<sup>79</sup>

His evidence about the Inklings Program in Western Australia, an early childhood intervention focused on supporting parents of children who are at risk of being diagnosed with autism, was persuasive.

The Commission notes there are current conversations about Inklings expanding nationally and recommends that the State Government secure involvement in such an expansion.<sup>80</sup>

## Parenting supports

Families receive a range of supports and information during pregnancy and the early weeks and years of a child's life. These can vary depending on the social and economic circumstances of a family.<sup>81</sup>

Understandably, the first few weeks of a child's life can feel overwhelming as parents are getting to know their new baby, meeting the baby's needs, facing sleep disruptions and recovering from the birth.

For first-time parents, all this is compounded as they learn the skills of parenting. An especially important service for this cohort is being connected to a CaFHS early parenting group. These groups create a structured reason to leave home (even when that task can seem daunting), valuable connection with other new parents and carers, and regular contact with a nurse who can support and identify any issues of concern.

It is important that connections to these groups are not delayed until a number of months after the birth of the child. The Commission suggests that the timeframes for making these connections and getting new parents connected to groups is monitored and reported, with focussed and transparent consideration given to an 'opt out' rather than 'opt in' model to ensure universal provision.

The South Australian Council of Social Services (SACOSS) submission refers to the dangers of 'professionalising' parenthood and making parents feel like they are failing, while many submissions note the importance of giving parents easy-to-use information about how to best support their child's development.<sup>82</sup>

Other submissions point to the importance of supporting parents regardless of whether they choose to engage in formal early childhood education and care, noting that some will choose to keep children at home.

The role of families as first teachers is strengthened when families feel supported and are equipped with the right information and the networks to find more support when they need it.

Programs run via playgroups, public libraries and integrated services are all valuable ways of connecting families with communities, providing information and advice and supporting young children.<sup>83</sup> The Commission also sees opportunity in leveraging early childhood education and care as one of many channels through which parents can receive information.

The Commission commends the Words Grow Minds campaign as an innovative way of progressing an agenda of providing information to families where they are.

Playgroup SA have told the Commission of the strong role that supported playgroups can have for children and families in the first 1000 days. Playgroups operate in different combinations, but they all give parents and carers time and space to play with their children and connect with other adults.

The role of playgroups is noted in the South Australian Early Learning Strategy, with goals to map, connect and support playgroups across the state and expand the number of playgroups operating in South Australia. Playgroup SA is also involved in the pilot projects to roll out screening checks for three-year-olds, also part of the Early Learning Strategy actions to 'increase consistent and readily accessible child development information and education' and expand the child development screening system.<sup>84</sup>

Playgroup SA suggest that disconnection from supports in the first 1000 days is a current service gap, and there is an opportunity for playgroups to perform this 'glue' function.<sup>85</sup> The Commission notes the value of investigating this further, as part of Recommendation 8.

## Words Grow Minds

The Words Grow Minds campaign is an exciting initiative developed by a coalition of South Australian non-government and government service providers who work with young children and their families.

The innovative campaign brings together three key elements:

- increasing collaboration across services
- forming clear and consistent messaging for parents and carers on the importance of brain development in the early years
- showing families simple things they can do to literally grow babies' and young children's brains.

The approach is unique in combining clear messaging about what parents should do, with partnership with those on the ground in service delivery in a range of contexts—from early childhood education and care, playgroups, libraries, non-government social service organisations and disability providers.

Families get the same information wherever they go.

The approach is also unusual in South Australia in that, while it is funded by the State Government, it is led outside the State Government.

Raising Literacy Australia plays the convening role for the Early Years Taskforce, which is chaired by the Hon Kate Ellis.

This joined-up approach to communications for families has been piloted in Mount Gambier and around Port Augusta and Whyalla, with promising early indications of the effectiveness of the multimodal delivery in increasing awareness of what to do to support children's development and build families' awareness of what services are available.<sup>86</sup>

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## Leveraging early childhood education and care in the first 1000 days to reduce developmental vulnerability

Earlier in this report, the Commission advocated that the State Government set a target of reducing to 15 per cent or less the number of children with developmental vulnerability at the time of school commencement in twenty years.

This goal cannot be achieved unless strategic efforts are made in the first 1000 days, meaning effectively the first three years of life. The Commission has also noted that, in the absence of the data system recommended above, there is no current way of identifying all children at risk of developmental vulnerability early.

The Commission is consequently advocating an approach that best focuses efforts based on our understanding of the current data, with approaches being refined over time as better and more granular data becomes available. Improvements in child development checks, discussed above, will be one important data source.

In the Interim Report and Part Two of this report, the Commission recommends an approach to three-year-old preschool which includes a target of 30 hours a week of preschool (compared with the universal entitlement of 15 hours a week) for children at risk of developmental vulnerability. The Commission also recommends new inclusion support program funding as part of preschool roll out. The purpose of this funding is to build the capability and capacity of services to include children with additional needs. In addition, the linkages between child protection and preschool are canvassed.

All of these recommendations are calibrated to make a difference to developmental vulnerability through preschool. In this section, the Commission explores what more needs to be done in the first 1000 days outside the preschool context.

## Supporting inclusion in early childhood education and care settings

As noted in the literature review commissioned by the Royal Commission:

Various studies demonstrate that ECEC programs can have a significant and persisting impact on children from disadvantaged contexts above the gains observed for other children (Barnett 2011, Yoshikawa, Weiland et al. 2013, Stevens and English 2016). Participation for disadvantaged children can also provide a pivotal role in altering trajectories for children to break cycles of poverty, however these children are less likely to attend ECEC services (European Commission 2022). The importance and benefits of providing early childcare to children at-risk and from lower SE circumstances has been highlighted across numerous studies (Gormley and Gayer 2005, Havnes and Mogstad 2011, Kline and Walters 2016, Jenkins, Sabol et al. 2018).<sup>87</sup>

However, there is a strong socio-economic skew to participation in early childhood education and care for children under the age of three, suggesting those that may benefit most have the least access to care.



.....

"I feel all educators in the early years learning settings need to have access to 'trauma training/ trauma informed practices'. Formal trauma training should be a requirement with a commitment to ongoing training. I feel the ECEC [early childhood education and care] sector is at breaking point, not only do we have an educator shortage Australia-wide but we also have educator burn out.

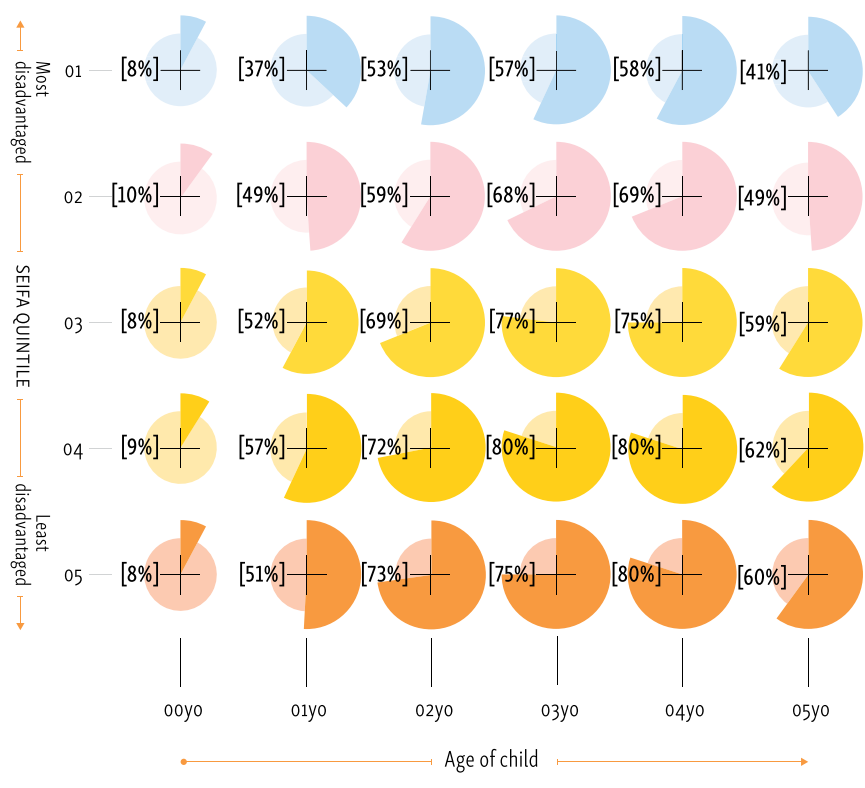
Educators are providing education and care for our most vulnerable citizens who have experienced or are experiencing some kind of trauma. We continue to see the effects that Covid has had on families, children and our community.

We are experiencing a very large number of children who display challenging behaviours, and a larger number of educators who don't know how to support the children/families who have experienced trauma.

"Early intervention is everything and I believe if we can educate our educators to understand the effects trauma has on children/families, they can lead, care and educate with knowledge and compassion. This would benefit all children, families, communities and us as a society. To do this amazing work in ECEC we need funding!!"

**Educator quoted in Connect.Ed  
submission to the Royal Commission**

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**Figure 12:** How many children attend South Australian long day care by age and socio-economic status

Source: unpublished Deloitte Access Economics analysis on behalf of the Royal Commission

The Commission has heard from experts, practitioners and families about the efforts that help disadvantaged families to engage in early childhood education and care. Professor Goldfeld and Associate Professor Jordan have told the Commission about the importance of outreach and engagement to make centres welcoming places for families.

In Associate Professor Jordan's project with highly disadvantaged families in Melbourne, services actively reached out to families to build relationships and encourage participation.<sup>88</sup> The Centre for Community Child Health in Victoria and Kids First Australia also identify the importance of effective family engagement in enhancing service delivery and child and family wellbeing.<sup>89</sup>

The Interim Report notes the following about participation barriers and facilitators:

Barriers include costs (direct and indirect), transport, views about maternal roles and child readiness, and families not being aware of the benefits or knowing how to access early childhood education and care.<sup>90</sup>

The Commission also notes that Child Care Subsidy settings, including the Activity Test, are a key driver of access to early childhood education and care prior to preschool for children from lower socio-economic backgrounds.

The Commission has already made an interim recommendation for the Commonwealth to change the Activity Test to include all families experiencing deep disadvantage and low rates of engagement in early childhood education and care.

The Commission has reflected on this and now amends the recommendation to ask the Commonwealth to extend the recently made changes to the Child Care Subsidy Activity Test to enable all families to access up to three days a week of care without the need to meet any activity test. This would help correct the current imbalance where children from more disadvantaged backgrounds are less likely to access early education and care while they are the ones who will likely benefit from it the most.

In its submission to the Royal Commission, Goodstart advocates for the State Government to step in to improve the affordability of all early childhood education and care (not just preschool) for low-income and middle-income families, while the national policy conversation progresses.<sup>91</sup>

While having sympathy for the impetus behind this recommendation, the Commission repeats its view from the Interim Report that:

the Commonwealth is the primary funder of the long day care sector, and that in the current distribution of policy responsibilities and functions, affordability remains squarely in the Commonwealth's remit, and will be a significant area of investigation in the Productivity Commission inquiry underway.<sup>92</sup>

The target to reduce the number of children who are developmentally vulnerable on one or more Australian Early Development Census (AEDC) domains to 15 per cent will require enduring efforts, particularly in areas of disadvantage where rates of vulnerability are over 30 per cent.

The following discussion outlines the key elements that support inclusion and reduce the risk of some children missing out on the benefits of early childhood education and care. It outlines the evidence heard by the Commission about the settings and approaches that can support inclusion for all children. The Commission then makes recommendations about appropriate actions for the State Government to take, in light of the current distribution of roles and responsibilities.

It should be noted that the Commission separately considers the question of whether the State Government should subsidise fees in long day care specifically for the 600 hours of preschool access in the two years before school, below.

## The need for a funding model that supports successful inclusion

The Commission notes that whether the Child Care Subsidy funding model supports affordable access to early childhood education and care is conceptually distinct from the question of whether the amount of funding going to services adequately supports inclusion.

Nationally, there are growing calls for a needs-based funding model that recognises the need for higher levels of funding in areas of disadvantage. A number of submissions to the Royal Commission made reference to this.<sup>93</sup>

Needs-based funding supports inclusion through funding interventions such as lower ratios, increased planning, professional learning and connection to other services, as well as outreach and engagement (including via offering lower or no fees for families that cannot afford to attend).<sup>94</sup> Rather than relying on funding applications for individual children (as per the current Inclusion Support Program), needs-based funding would provide services with resourcing on the basis of what is required to make a difference in outcomes for the children they serve. Analysis of population data, measures of demographic characteristics and the like could all help measure and predict need.

The Commission has taken a needs-based approach in its recommended model of preschool funding, with additional funding and hours provided to the children most in need. Consistent with this focus on progressive universalism, the Commission urges the Commonwealth to consider implementing such an approach in its early childhood education and care funding.

The Commonwealth currently has a leadership role in supporting successful inclusion in early childhood education and care via the Inclusion Support Program.

## Inclusion Support Program (ISP)

According to the Commonwealth's funding guidelines:

The focus of the [Inclusion Support Program] is on supporting children with additional needs to participate in ECEC alongside their typically developing peers. It is not a disability program but an inclusion program, which prioritises support for children with additional needs, particularly those with a disability.

Primary support is from Inclusion Agencies to build the capacity and capability of services to include children with additional needs. The Inclusion Development Fund Subsidy for an Additional Educator funding element of the program is prioritised to supporting children with a diagnosed disability.

The program acknowledges that younger children, in particular, face delays seeking and obtaining disability diagnosis. As such, the program may provide Immediate/Time-Limited support for all children with additional needs (regardless of diagnosis) and ongoing Additional Educator support for children under six years of age in Centre-Based Day Care (excluding Outside School Hours Care), without a diagnosed disability or awaiting a disability diagnosis. This aligns with the National Disability Insurance Scheme (NDIS) Early Childhood Early Intervention (ECEI) approach, which provides support for children under six who have a developmental delay or disability.

Services with older children with additional needs are encouraged to discuss the types of support available with their Inclusion Agency and consider flexible and responsive solutions to inclusion barriers through Innovative Solutions Support.<sup>95</sup>

The capacity building work undertaken by the Inclusion Agency is considered the first level of inclusion support.

The Inclusion Development Fund (IDF) provides funding to assist services to address barriers to inclusion that cannot be resolved by support provided by an Inclusion Agency or the Specialist Equipment Library. Applications for IDF funding are made on behalf of individual children via a web-based portal.

In South Australia, Gowrie SA are the Inclusion Agency supporting access to the Inclusion Support Program (ISP). Gowrie SA have effectively partnered with the sector to drive nation leading rates of uptake of the ISP, including one of the highest rates of Innovative Solutions Support usage, while maintaining a national average rate of Strategic Inclusion Plans.<sup>96</sup>

The ISP is currently under review, with outcomes due to inform the ACCC and Productivity Commission inquiries.<sup>97</sup> Despite the positive work of Gowrie SA, in advance of finalisation of that review, it is the Commission's view that there is clearly room for progress in the overall area of inclusion in early childhood education and care.

An evaluation of the ISP by the Australian Institute of Family Studies in 2021 found around 1 in 5 parents of a child with additional needs reported having to change child care because of issues with care—double the rate of other parents.<sup>98</sup>

The experience of exclusion was one repeated to the Royal Commission in submissions, parent and carer forums and via YourSAy survey responses.<sup>99</sup> In its submission to the Commission, Connect.Ed, asserts that there is increasing exclusion of children from early childhood education and care settings in response to a child's behaviour, an anecdotal observation repeated in stakeholder roundtables.<sup>100</sup>

After reviewing the evidence presented and submissions made, the Commission has identified a range of different strategies that the State Government might employ to improve inclusion in early childhood education and care in the years before preschool. The measures identified are 'no regrets' moves which the Commission believes will have efficacy irrespective of the policy changes following from the ISP review.

First, in designing 'the glue' as envisaged in Recommendation 8, the State Government should consider how best to promote opportunities for services and staff to share and learn about evidence-based approaches to successful inclusion. It should also consider how best to ensure that developmental concerns identified in long day care, family day care or other services are able to be the subject of warm referrals to the right service provider.

Second, in operationalising Recommendation 11, the State Government could ensure there are linkages and exchanges between CaFHS and services to share knowledge about emerging developmental trends. It is clear from the evidence the Commission has received that early childhood education and care workers are being challenged by a growing array of developmental challenges. Being able to see emerging new issues could help services and staff plan.

Third, evidence received by the Commission shows there can be long delays in translating new research findings into practice. In his evidence, Professor Andrew Whitehouse of the Telethon Kids Institute told the Commission that in his field of speciality, autism research, findings can take up to 20 years before they are translated into practice.<sup>101</sup> The State Government should help close this gap by sponsoring on-demand, cost-free access to expertise on areas of particular interest, such as autism, trauma, complex behaviours or complex communication difficulties.<sup>102</sup>

Given the State Government's nation-leading focus on autism, and the extraordinary increases in the prevalence of autism in the child population,<sup>103</sup> the Commission notes a particular opportunity to support research translation in the area of autism. For example, this might include making free training available to early childhood education and care services in the newly released National Guidelines for supporting the learning, participation, and wellbeing of autistic children and their families.<sup>104</sup>

The State Government may also wish to initiate formal processes to monitor participation and attendance of vulnerable cohorts such as children with disability, or through requiring the collection and reporting of data on exclusion of children from early childhood education and care services for behavioural reasons. However, the Commission would caution not actioning this until the measures discussed above to streamline 'the paperwork' burden on staff and services are addressed.

Beyond ‘no regrets’ changes, when the State Government is in a position to assess the outcomes of the ISP review, it may choose to make additional investments (on top of the ISP) in building the capability of services to successfully include children with additional needs, including those with disability, neurodiversity, or who are impacted by trauma.

However, it should be noted that in the Commission’s view, as part of the national settlement discussed above, the Commonwealth’s role should encompass ensuring inclusion support is sufficient so every family and child can have access in an affordable manner to early childhood education and care services. Consequently, the State Government’s role in this area should be quality and capacity focussed.

While the age cohort of out of school hours care (OSHC) is generally well beyond the first 1000 days of life, the Commission believes there is merit in sharing relevant knowledge, best practice and training materials in respect of inclusion with OSHC providers who are also facing the challenge of offering services which can be open and welcoming to all.

## Supporting educators to support inclusion

In suggesting investments in improving inclusive practice, the Commission notes the submission from the Preschool Directors Association that urges the Commission to be mindful of the workload implications for teachers resulting from a focus on ‘capability building as a standalone model of support and inclusion for children with additional needs’.<sup>105</sup>

Similarly, the State Government notes:

... the government is conscious of the workload and emotional burden already placed on many educators. Where ECEC is intersecting with other systems, and particularly where trauma or abuse are involved, there must be consideration of the fundamental purpose of educators as educators.

Educators must not be asked to take on too much, must be supported in their roles, and must be supported not to burn out. Integration of ECEC with other services that can support children who are affected by trauma, abuse, or neglect, can help to support educators by providing a pathway that educators can refer families into.<sup>106</sup>

There is some tension between a drive for inclusion and maintaining sustainable workload for teachers and educators.

This tension is one of the key drivers behind the Commission’s view that there is a need for better integration of early childhood education and care into a broader system, and also for needs-based funding to provide additional funding to services in disadvantaged communities.

Both better integration with other services and needs-based funding should reduce the pressure on workload caused by increasing expectations of inclusion.

# Case Study: Le Fevre Community Childcare

Le Fevre Community Children's Centre is a not-for-profit, community owned and run child care centre for up to 54 children in the suburb of Taperoo in western Adelaide.

Taperoo is a very disadvantaged community in Adelaide's western suburbs (it is in the ninth percentile of the index of relative socio-economic disadvantage.)

Mr Jeremy Pook has been part of the centre community as Director for 14 years, and in June he showed members of the Royal Commission team around the centre.

Jeremy talked to us about how hard his team works to provide care, education and support to children and families in their community.

Without the benefit of formal connection arrangements, the team has formed strong relationships with the local school, preschool, health services, child protection and NDIS supports.

These relationships rely on the strong shared interests of children's wellbeing and the goodwill of the people leading and working across the services in the absence of formal systemic support.

By focusing on care and education, and ensuring educators are well trained in child development, pedagogical leadership and trauma-informed practice, Le Fevre provides services to children that are valued by their community.

The centre has a strong place in the community, with multiple generations bringing their children to play and learn. The team know that the centre is a big part of children's lives; children feel a sense of ownership and safety and build enduring and safe relationships with educators in those important early years.

Visiting specialists (allied health and disability support) are welcome at the centre, and much-anticipated physical improvements will give more space for individualised support in the future.

Jeremy told the team that securing capital for site improvements has been particularly hard post-COVID 19. The plans are ready, but it is now just a question of funding certainty.

In hearing the voices of services, what comes through time and again is all the work that has to happen, but which isn't always visible, straightforward or easy to describe.

This involves working with families to keep children engaged, even when circumstances make it hard to keep coming.

It involves working with services across the community to address some of those issues unrelated to child care, but which make life complicated for children and their families.

It involves following up, making multiple phone calls to find 'the right person to talk to', the transition work when families move to other services across town, and welcoming them back when they return.

The Royal Commission thanks Jeremy and his team for their time in showing us the centre and talking to us about the work they do. The value of the centre to the families who use its services was a shining example of just how important quality early childhood education and care is to our youngest citizens.

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## Linguistic and cultural diversity

Australia is a migrant country, with half of South Australians born overseas or having a parent born overseas.

The Commission received a number of submissions noting the value and opportunity from active inclusion of linguistic and cultural diversity in early childhood education and care.<sup>107</sup>

As noted in the submission from the College of Humanities, Arts and Social Sciences at Flinders University, '[i]t is in these early years that children begin to experience the coexistence of multiple languages and cultures in our society as a natural occurrence.'<sup>108</sup>

Submissions call for explicit curriculum requirements regarding language teaching in the early years modelled on Victoria's approach, as well as support for building a language teaching workforce.

The Commission notes these submissions and commends them for further consideration by policymakers involved in preparing curriculum materials for the early years.

Professor Angela Scarino, representing the Multicultural Education and Languages Committee at the stakeholder roundtables, noted in her submission:

Children learn through language and (for those who bring additional languages) through languages (plural). All learning is mediated through the languages and the cultural experiences and lenses that children bring. As such language(s) are central to their language and literacy development and to their sense of comfort and wellbeing in being in linguistic and cultural diversity.

The whole environment in these settings needs to be rich in languages and cultures and much of the experience of being in early childhood and care is about action related talk (doing, experiencing, playing, language and learning).<sup>109</sup>

In this context, the Commission has identified practical opportunities for improving exposure to linguistic and cultural diversity in early childhood education and care, which would also support inclusion.

In particular, the Commission notes that funding provided for the purpose of inclusion (for example, as a result of the recommendations made by this Commission in relation to preschool program funding) could be used to invest in community liaison and programs or roles that create ongoing connection between early childhood education and care services and locally relevant cultural and linguistic groups.

This could be systematically facilitated by the Office for the Early Years, noting that there is already a program in place like this in Department for Education preschool sites.



# The first 1000 days for Aboriginal children

## Findings

The Closing the Gap National Agreement, including the Implementation Plan and Partnership Agreement between the South Australian Government and South Australian Aboriginal Community Controlled Organisation Network (SAACCON), should provide the framework for improving early childhood education and care for Aboriginal children and families.

In any event, it is important for there to be a single consolidated framework for action.

Strengthening the Aboriginal Community Controlled Organisation (ACCO) sector in the early years, in particular in early childhood education and care, is of critical importance.

The Office for the Early Years should have a legislated responsibility to promote the cultural safety of early childhood education and care services for Aboriginal children, per Recommendation 2.

The Office for the Early Years should have a legislated responsibility to promote data sovereignty in relation to early child development data, per Recommendation 4.

## Recommendation 14

### Strengthening the Aboriginal Community Controlled Organisation sector

- a. That the State Government work with the South Australian Aboriginal Community Controlled Organisation Network (SAACCON) to develop detailed plans for commitments made in relation to early child development under South Australia's Implementation Plan for the National Agreement on Closing the Gap.
- b. That the State Government leverages its increased investment in preschool to strengthen the Aboriginal Community Controlled Organisation (ACCO) sector. This could include:
  - ⦿ prioritising ACCOs in the commissioning of new integrated service hubs to deliver three-year-old preschool, where appropriate, for the community
  - ⦿ quarantining a portion of preschool funding for layered supports for ACCOs to partner with services on improving cultural safety.

Throughout this report, the Commission will use the term Aboriginal to refer to people who identify as Aboriginal, Torres Strait Islander or both Aboriginal and Torres Strait Islander.

## Accountability for ensuring culturally safe and responsive services

As noted earlier in this report, there is universal agreement in submissions on the need for early childhood education and care services to provide cultural safety for Aboriginal children.

As the Telethon Kids Institute submission says, ‘What we know ... [is] for Aboriginal children, pre-school should be culturally safe and responsive and informed by knowledge of community.’<sup>110</sup>

There is, however, less clarity around whether or how to ensure accountability to ensure that services meet this threshold.

Commissioner for Aboriginal Children and Young People, April Lawrie, has recommended legislative change to embed the responsibility to provide cultural safety in early childhood education and care services.

Amend the *Education and Children Services Act (2019)* SA to require all ELECs [Early Learning Education and Care services] and pre-school providers (government or non-government) to deliver culturally safe preschool services, Aboriginal cultural curriculum, and language delivery in line with the human rights of Aboriginal children and their families and communities as set out in UNDRIP [United Nations Declaration on the Rights of Indigenous People] and UNCRC [United Nations Convention on the Rights of the Child] fully recognising Aboriginal self-determination. That self-determination is defined as a concept in the Act.<sup>111</sup>

The Secretariat of National Aboriginal and Islander Child Care—National Voice for our Children (SNAICC) submit that:

In the context of universal services, [the State Government should] require mainstream services to be culturally safe and responsive to the needs of Aboriginal and Torres Strait Islander families and to have meaningful partnerships with ACCOs in their communities.<sup>112</sup>

The National Aboriginal Community Controlled Health Organisation (NACCHO) submission does not focus on imposing legislative obligations, arguing instead that state and local governments should demand accountability for culturally safe, appropriate and accessible services through reporting requirements in funding agreements.<sup>113</sup>

Despite specific feedback on this issue being sought in the Interim Report, the Commission has not received further submissions on the question of placing a legislative obligation on providers to provide culturally safe services.

The Commission’s view is that, in the first instance, legislation should describe the particular responsibility of the Office for the Early Years as system steward to promote the cultural safety of early childhood education and care services for Aboriginal children, as described in Recommendation 2.

As suggested by NACCHO, fulfilling this responsibility should involve leveraging the funding relationships the Office for the Early Years will have throughout the early childhood education and care sector, noting these relationships will be greatly enhanced as a result of the mixed model of delivery of three-year-old preschool.

## Cultural safety, engagement and pride—how to improve inclusion and outcomes for Aboriginal children in early childhood education and care

The submission by SNAICC highlights ‘the robust association between pride and identification with culture and optimal well-being and health outcomes among Aboriginal and Torres Strait Islander children.’<sup>114</sup>

The research on culturally safe, better and culturally responsive pedagogy in early childhood education and care is growing.<sup>115</sup> One consistent theme in this research, as well as in submissions, is the need to bring Aboriginal communities into services.

In her evidence to the Commission, Ms Tina Quitadamo highlighted the opportunity to train people on country, using Aboriginal registered training organisations and being innovative in using Aboriginal-led design.<sup>116</sup> Ms Quitadamo told the Commission that ‘like the children who enter our early years services with a backpack, every educator and teacher needs a cultural backpack’.<sup>117</sup>

Bringing Aboriginal communities into services includes bringing families into shared governance; partnering with Aboriginal community leaders and members in delivery of curriculum (including in language); and growing an Aboriginal workforce to support children and families every day.

There is a range of mechanisms for doing this.

SNAICC, for example, recommends formalising the role of Aboriginal Community Controlled Organisations (ACCOs) as partners with early childhood education and care providers to promote cultural safety.

The Commissioner for Aboriginal Children and Young People recommends funding and policies to increase the employment of Aboriginal education workers in early childhood services, noting these roles support both education and community outreach.

The Telethon Kids Institute argues for the need to:

[p]rioritise the training and employment of Aboriginal ECEC staff and encourage the involvement of Aboriginal parents in ECEC. This will assist in ensuring cultural safety and inclusion, especially if it is open to incorporating Aboriginal ways of teaching.<sup>118</sup>

As SNAICC notes:

Through the Closing the Gap Sector Strengthening Plan for Early Childhood Care and Development, the government is working with the South Australian Aboriginal Community Controlled Organisation Network to set out deliverables for increased investment in ACCOs and ACCHOs, providing Aboriginal people with meaningful choice about service delivery and ensure cultural safety and to ensure the system around them supports this to happen.<sup>119</sup>

## Supporting Aboriginal children in Aboriginal services

Many submissions note the importance of embedding self-determination in the services specifically focused on providing early childhood education and care to Aboriginal children, through having those services delivered by the Aboriginal community. For example, SNAICC submit that:

All policies, service systems, and funding arrangements overseen by the South Australian government are designed to ensure that Aboriginal children, and their families, can access services that are founded on local Aboriginal and Torres Strait Islander cultures and strengthen Aboriginal children and families' connection to culture.<sup>120</sup>

On a related note, a number of submissions identify that appropriately implemented place based responses (which are a commitment under the Closing the Gap National Partnership) are an effective way forwards to support and grow Aboriginal-controlled services.<sup>121</sup>

As the State Government notes:

Any such integrated service model for Aboriginal children and their families should be an Aboriginal led-design process, informed by Aboriginal voices and consultation and supported by government.<sup>122</sup>

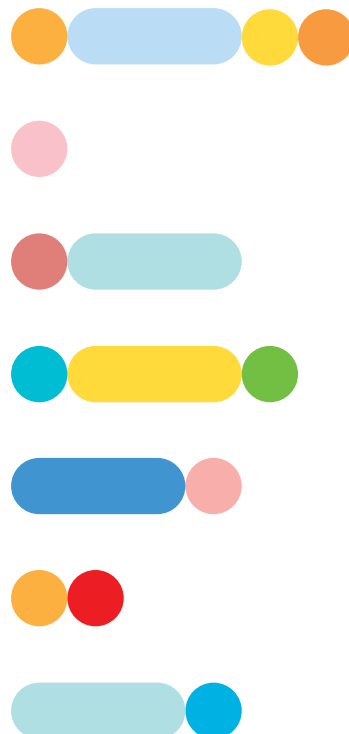
A number of submissions noted that less formal activities, such as playgroups, can be a more culturally responsive and effective way of engaging families in early learning.<sup>123</sup> Yet, as noted by the Benevolent Society, Aboriginal children are less likely to attend playgroups.<sup>124</sup>

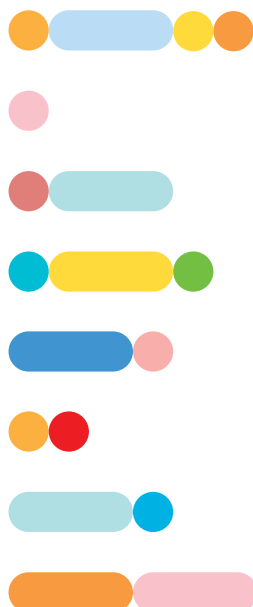
The Interim Report recommended place-based commissioning of integrated service hubs in areas of high developmental need. As noted above, the Commission is agnostic as to whether these are government-led services in any particular community, instead holding the view that this should be a community-by-community conversation.

The Commission notes the significant opportunity for building Aboriginal-led early childhood services through the commissioning of these hubs.

Depending on community need, these hubs may offer preschool, long day care and/or other early child development services, including parenting programs and playgroups, delivered by ACCOs.

They could also involve the use of curriculum designed and delivered by Aboriginal nations, as recommended by the Commissioner for Aboriginal Children and Young People.<sup>125</sup>





## Closing the Gap—a framework for going forwards

In December 2021, the South Australian Government and South Australian Aboriginal Community Controlled Organisation Network (SAACCON) agreed on South Australia's Implementation Plan for the National Agreement on the Closing the Gap.

Further to this, SAACCON and the South Australian Government struck a Partnership Agreement in November 2022.

It is clear that the State Government will continue to evolve and co-design its engagement processes with the Aboriginal community in light of important changes underway, notably the creation of South Australia's First Nations Voice to Parliament.

However, the Commission is mindful of the dangers of overlapping plans and strategies, which reduce accountability and increase opportunities for stalemate and delay.

In this context, the Commission recommends that the State Government adopt a single framework for progressing and reporting on an agenda of improving access and outcomes for Aboriginal children in early childhood education and care.

Closing the Gap could provide an appropriate framework.

The relevant elements of the Implementation Plan are extracted below and provide a clear framework for progressing a number of the elements identified as crucial in the preceding discussion. For example:

- Actioning 'Culturally responsive Approaches to Teaching and Learning in Preschools' should involve consideration of curriculum development, including in language, in partnership with Aboriginal nations.
- Actioning 'Increase Engagement with Centre-based Care Providers' should involve consideration of how to embed partnership with ACCOs and Aboriginal communities in centres, including:
  - Prioritising ACCOs in the commissioning of new integrated service hubs to deliver three-year-old preschool, where appropriate for the community; and
  - Quarantining a portion of funding for layered supports for ACCOs to partner with services on improving cultural safety.

In the first instance, the Commission recommends that the State Government engage in the co-development and publication of detailed implementation plans for the agreed actions in the Closing the Gap Implementation Plan.

## PRIORITY REFORM TWO—BUILDING THE COMMUNITY-CONTROLLED SECTOR

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### National Sector Strengthening Plan—Early Childhood and Development

Representatives from respective agencies will represent their sector and participate in Working Groups during development of the Plans, which aim to provide a national framework for a joined up approach to build a strong community-controlled sector.

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### Supporting Growth in Aboriginal Community Controlled Organisations Working Group (Aboriginal Affairs Executive Committee)

The Working Group's vision is that 'South Australian Aboriginal Community Controlled Organisations are strong, supported to grow and achieve self-determination, and deliver high quality services which meet the needs of their communities'. Development of a workplan is underway in consultation with Aboriginal stakeholders (including SAACCON).

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### Outcome 3: Aboriginal and Torres Strait Islander children are engaged in high quality, culturally appropriate early childhood education in their early years

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#### Improved Enrolment and Attendance

Design initiatives and strategies to support improved enrolment and attendance in preschool for three- and four-year-old Aboriginal children and children in care, ensuring that Aboriginal children have access to, and participate in, quality early childhood education.

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#### High Quality Services

Investigate options to support Community Child Care Fund Restricted Program-funded early childhood and care to enhance and maintain service quality in line with the National Quality Framework for early childhood education and care. Consider (in partnership with the Commonwealth) how Aboriginal organisations can be supported to deliver high quality services to community, in line with the National Quality Framework.

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#### Increase Engagement with Centre-based Care Providers

Explore mechanisms to drive increased enrolment and participation in partnership with the non government sector.

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#### Culturally responsive Approaches to Teaching and Learning in Preschools

Review and revise guidance on culturally responsive approaches to teaching and learning in preschools, and support participation of Aboriginal children in department preschools.

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### Outcome 4: Aboriginal and Torres Strait Islander children thrive in their early years

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#### Early Learning Strategy

The Early Learning Strategy has been designed to support every child's learning and development in the first five years of life.

Key activities under the strategy which target universal outcomes, but will support Aboriginal children, include:

Refreshed Children's Centres vision and outcomes framework, and greater community connections and outreach (to support responsive local programs and services which support local community priorities)

- Update the Outcomes Framework for the government's Children's Centres for Early Childhood Development and Parenting
- Implement the new Children's Centre Framework, including greater outreach of centres to communities and neighbouring preschools through a 'hub and spoke' approach.

Review of reach and schedule of child development health checks (to ensure supports for child development are of high quality and readily accessible)

- Expand the child development screening system—increase reach to 80 per cent of children
- Expand the childhood development screening system—expand schedule to include checks at 12 months and three years and incorporate further parent supports and advice during checks.

Developing partnerships with government and non-government including for health check provision and strengthening referral pathways

- Grow partnerships with government and non-government service providers to inform coordinated expansion of the screening system.
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#### Increase Aboriginal Community Input and Involvement

Develop approaches to increase Aboriginal community input and involvement in early childhood education, which will assist in ensuring preschools are culturally safe and responsive.

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**Table 3:** Extracts from South Australia's Implementation Plan for the National Agreement on the Closing the Gap.

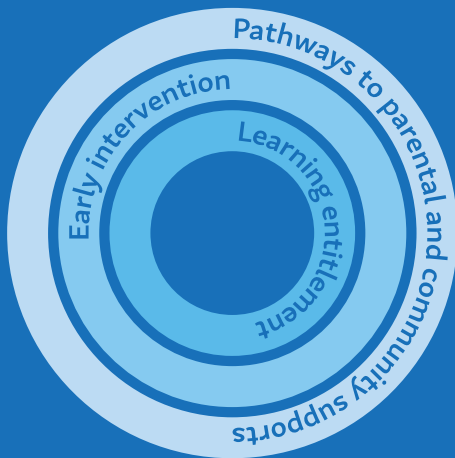


## PART TWO— **UNIVERSAL QUALITY PRESCHOOL PROGRAMS FOR THREE AND FOUR- YEAR-OLD CHILDREN**

The Commission's Interim Report started a dialogue about early learning in South Australia, in terms of where we have come from and where we are today.

Important conversations and questions have followed, and the Commission is pleased that this Final Report provides a road map towards universal preschool for three-year-olds from 2026.

Throughout this part, a number of findings will be repeated from the Interim Report and a number of in-principle recommendations will be confirmed. To make it simple to understand what has changed, annotations are included under relevant recommendations explaining any changes.



## Core findings from the Interim Report

The purpose of providing universal three-year-old preschool is to support every South Australian child's healthy early development and learning so that they can thrive, now and in the future.

An effective system of universal three-year-old preschool will also help redress the disadvantage experienced by too many South Australian children.

It will play a key role in reaching the twenty-year goal of reducing to 15 per cent or less the percentage of children with developmental vulnerability on school entry.

How the system is designed and delivered will also influence the choices made by families about whether to access the system for their child and their own workforce participation.

The Royal Commission has adopted the following definition of preschool:

- Each individual child receives a learning entitlement (including any adjustments required) from an early childhood teacher operating with support from allied health and other professionals as required.
- There is early identification of a child's developmental needs on site (for example, by child development checks) and organised pathways to funded interventions, including providing those on site as appropriate.
- There are organised pathways to broader parental and community supports, including those provided on site as appropriate.

The following principles underpin the design and roll out of universal three-year-old preschool:

### Embrace all children:

Be universal but not uniform.

Take active steps to ensure participation.

Cater to different needs of communities, families and children.

### Be fair:

Support equity for children and families, with additional hours available for those who need them.

### Be high quality:

Be designed to reach or exceed current quality benchmarks and measurably improve learning outcomes.

### Build the connections that matter for children's lives:

Learn and be adaptive, building in mechanisms such as data collection, community input and support for professional development and research at every level of the system as part of always striving to do better.

Be viewed by the State Government as part of the backbone universal infrastructure which connects families to the services and supports needed for early child development.



# The characteristics of preschool under the Royal Commission's new definition

It is a learning entitlement of at least 15 hours a week or more led by a degree qualified early childhood teacher.

It is a play-based approach that supports every South Australian child to develop and learn so that they can thrive now and in the future.

It is a system that redresses disadvantage and changes life trajectories.

It is a universal offering, not a uniform one.

It reflects the different needs of children, families and communities in its delivery model, duration and programming.

It is part of a wider system of learning and adaptation that supports child development.

It is culturally safe.

It is a gateway to layered supports for children and families.

It is a place that is respected in the community for delivering high-quality education and care, no matter where it is delivered from.

## An investment in our future

The Commission's Terms of Reference seek consideration of the costs and benefits of implementing its recommendations, including not just economic benefit but benefits to children, their families and communities, and the social fabric of South Australia.

To better understand this, the Commission asked Deloitte Access Economics to undertake a return-on-investment analysis of three-year-old preschool.

Results from this analysis are extracted following. The full analysis and specification can be found on the Royal Commission's website.

By adopting a policy of universal, high-quality three-year-old preschool, five groups of South Australians are anticipated to benefit:

1. Participating children, both in their early years and later life
2. Families of participating children, principally through increased scope for labour force participation (as well as greater engagement in their children's learning)
3. The ECEC sector, through increased demand for skilled employees
4. Society, through increasing economic activity and improved health and welfare outcomes for citizens
5. The South Australian and Commonwealth Government, through cost savings and increased taxation revenue

This study sought to build on the existing academic evidence by undertaking new empirical analysis to estimate the benefits of three-year-old preschool. This analysis drew on two separate data sources:

- The Longitudinal Study of Australian Children (LSAC), a longstanding study involving two representative cohorts of Australian children. Based on the years of the LSAC data, this provides evidence into the longer-term schooling and life outcomes of Australian children, which can be analysed with respect to their ECEC participation at age three.

Department for Education data in South Australia outcomes data, which can be compared for children based on their preschool participation status, giving local evidence on the benefits of three-year-old preschool.

### LSAC findings

The LSAC analysis found statistically significant benefits of three-year-old preschool on children’s language and cognitive skills scores in the Australian Early Development Census (AEDC, a national data collection in a child’s first year of schooling). There are also benefits to children’s National Assessment Program—Literacy and Numeracy (NAPLAN) scores in the domains of Grammar, Numeracy and Reading in Year 3.

Benefits to NAPLAN scores persist for numeracy and reading through to Year 9 NAPLAN results. Translating the increase in children’s NAPLAN scores into equivalent months of learning, using the estimation approach from the Grattan Institute, results in the estimates in Table i. Overall, the results suggest that the impact of an additional year of preschool on NAPLAN outcomes is relatively sustained over a child’s schooling period.

NAPLAN Domain	Year 3	Year 5	Year 7	Year 9
Grammar	4.65***	4.11*	4.77*	2.44
Numeracy	1.89**	4.56***	6.19***	3.98*
Reading	5.20***	4.92**	5.30**	6.50***
Spelling	2.30*	2.10*	4.49**	3.89
Writing	2.11	1.77	4.43*	3.88*

Significance levels: \* 10%, \*\* 5%, \*\*\* 1%.

Table i: Average effect on NAPLAN scores in terms of equivalent months of learning

Source: Deloitte Access Economics (2023) using LSAC data and conversion based on the Equivalent Years of Learning measure developed by the Grattan Institute (Goss et al. (2016)).<sup>126</sup>

Estimations from LSAC data also provide some evidence of improved health outcomes. Regarding mental health, there is a significant effect of three-year-old preschool on scores measured using the Kessler 10+ Psychological Distress scale. Attendance at three-year-old preschool was also found to be positively related to self-assessment of health at age 15 to 16. In contrast, there was no evidence to suggest that attendance at three-year-old preschool led to better behaviour or measures of emotional maturity or social development in mid high school.

### South Australian Department for Education data findings

One of the key advantages of the South Australian Department for Education dataset is that it provides a relatively contemporary view of the returns to attending preschool in South Australia. However, the key limitation of the data is that it is not possible to conclusively determine that children who did not attend three-year-old government preschool did not instead attend a non-government preschool program (including a LDC service with a preschool equivalent program) at age three.

The cohort attending three year old government preschool is also, by definition, a selected sample of children who are either Aboriginal or Torres Strait Islander children, have been in out of home care or who have special needs.

The NAPLAN results show that attendance at all types of preschools is associated with significantly improved NAPLAN outcomes in reading, writing and grammar relative to those who did not attend any form of preschool. Significant improvements in spelling were also observed for those attending a non-government preschool as a four-year-old which also had a three-year-old preschool program. The finding that children who attended preschool had more positive outcomes than those who did not attend any form of preschool was observed for other outcomes measures including the South Australian Year 1 phonics test and a number of AEDC domains.

However, across the various outcomes considered, there were generally no statistically significant differences in outcomes for those who attended government preschool as a three-year-old or four-year-old relative to those who only attended government preschool as a four year old or attended a non-government preschool as a four year old. How much can be drawn from this finding is unclear but a few important observations can be made:

- It is possible that many children who attended government preschool as a four-year-old as well as those who attended a non-government preschool as a four-year-old may have attended a non-government preschool, or at least an ECEC program, as a three-year-old.
- The cohort attending two years of government preschool were on average relatively disadvantaged compared to other cohorts. While a large set of demographic controls was used to account for differences between these groups, it is possible that the range of controls available may not have fully accounted for the characteristics of these children.
- Many of those attending government preschool as a three-year-old attended only for a few terms (after they turned three) and/or attended for relatively few hours per week as a three-year-old.
- Interestingly, the analysis indicates that learning outcomes are stronger for those who attend at least eight hours a week of preschool across the school year and stronger still for those who attend at least 12 hours week on average. This is evident both for those who attend government preschool as a four-year-old only, and for those who attended government preschool as both a three-year-old and a four-year-old.

While acknowledging that these observations limit the strength of conclusions that can be drawn from this analysis on the incremental benefits of three-year-old preschool, the analysis does support the view that attendance at preschool (in any form) is associated with improved outcomes on a range of measures.

It also points to the potential role that hours of attendance may play in securing the learning outcomes that may be derived from preschool.

## Results and conclusions

While the most relevant and contemporary evidence has been used to inform estimates of the benefits of three-year-old preschool in this study, no analysis will be perfectly applicable to the South Australian context and to the vision established by the Royal Commission.

The academic literature has consistently pointed to the degree to which benefits are likely to vary based on the:

- quality of preschool delivery; and
- characteristics of children who enter three-year-old preschool under the reform (and, relatedly, the quality of learning they would receive in alternative environments), with preschool being generally found to be more beneficial for disadvantaged cohorts.

Relatedly, relatively little is known about the impact of large scale expansions of three-year-old preschool programs on health and social outcomes into adulthood.

Recognising that these factors will in turn impact the extent of benefits from the three-year-old preschool proposal being explored here, a range of results is presented. This range is presented with reference to four scenarios (in increasing order of the benefits realised):

1. Returns to children are based on the findings of LSAC with no benefits to improved mental health included
2. Returns to children are based on the findings of LSAC with mental health benefits included based on the LSAC analysis
3. This scenario assumed that in addition to the mental health benefits, children in commissioned preschools achieve outcomes that are three times stronger than found in the LSAC analysis. This was based on evidence from a study of the benefits of preschool to disadvantaged children in the US by Domitrovich et al. (2014).
4. This scenario explores the benefits where the quality of delivery results in outcomes that are twice as strong as that found in the LSAC analysis, reflecting the findings of studies such as Blanden et al. (2022) and Australian studies such as Tayler et al (2014).



Across the four scenarios, total benefits range from \$2.9 billion to \$5.4 billion in net present value terms (using a discount rate of 3.5 per cent). The benefits to children range from \$665 million to \$2.065 billion as mental health benefits and improved quality is included in the analysis. Families and the ECEC workforce and sector experience benefits of \$490 million in net present value terms while the benefits to government and society range from \$1.7 billion to \$2.8 billion across the scenarios. On a per child basis, total benefits range from \$10,900 to \$20,600 in net present value terms.

The cost of the proposal in net present value terms is estimated at \$3.7 billion or approximately \$14,000 per child. This results in a benefit-to-cost ratio (BCR) that ranges between 0.78 to 1.47 across the scenarios.

The range of results demonstrates that whether the benefits outweigh the costs (and the degree to which they do so) depends to some extent on whether preschool leads to better longer term health outcomes but perhaps even more so on the extent to which the reform is able to provide a quality learning environment for all children. If the reform is able to achieve a higher quality of delivery such that the learning outcomes associated with attending three-year-old preschool exceed those received by children in LSAC prior to the national quality reforms, the benefits of the reform are likely to exceed the costs. Similarly, the evidence from South Australia points to the importance of ensuring consistent, sustained attendance to support children's learning outcomes.

Overall, the evidence presented in this report supports the view that there are not only important benefits from attending preschool, but that these benefits are likely to be stronger where a child attends a second year of preschool. It is hoped that these findings help build the evidence base regarding the benefits to investments in the early years, while also highlighting the importance of ongoing longitudinal research into the long-term benefits of three-year-old preschool and the value of existing government datasets in helping to shed new light on these issues.



## A note on terminology

The term 'early childhood education and care' to describe settings in the early years is very important.

It draws attention to the ways in which education and care are inextricably linked in the early years.

It refers to a range of settings—from preschool, long day care, early learning centres and family day care.

However, it is a term that is unhelpfully inclusive in the context of this Royal Commission, which needs to clearly distinguish between different service types that have different funding arrangements and needs.

The Commission has used the language 'long day care' to refer to centre-based services that deliver a mix of education and care, five days a week, for a minimum of 48 weeks in a year. Long day care is nominally funded by parents, with costs defrayed by the Commonwealth Child Care Subsidy. The Commonwealth refers to these services as 'centre based day care'.

The Commission is mindful that 'long day care' is a term that neither resonates with the sector, nor appropriately captures the role of learning in these services.

However, for simplicity and ease of understanding for those outside the early childhood sector, the Commission has adopted this language in the absence of a better option.

The Commission also uses the language 'non-government preschools', which are a much smaller number of services that are more closely aligned with school-based delivery models. A significant proportion of these are subject to historical state government funding agreements that treat them as akin to government preschools. However, an increasing number of early learning centres attached to non-government schools are configured as long day care services in their opening hours and use of Commonwealth Child Care Subsidy.

Preschool programs are offered in long day care services, non government preschools and government preschools.

However, the funding structures and patterns of provision vary by service type.

Government preschools offer a dedicated learning program to children via two or three short sessions a week, for 40 weeks (a school year). The State Government funds the lion's share of the \$11,500 average cost of a child attending government preschool, with a modest contribution of \$1,340 per child being provided by the Commonwealth via the Preschool Reform Agreement.

Overall, the Preschool Reform Agreement sees Commonwealth funding of around \$28.2 million per annum to South Australia to support the provision of preschool in the year before school. Around \$6.2 million goes directly to around 250 long day care and non-government preschool services that have signed a funding agreement with the State Government to provide preschool in their setting.

All dedicated preschools, whether government or non-government are explicitly barred from receiving Commonwealth Child Care Subsidy.

Families using long day care centres and early learning centres offering long day, are entitled to receive the Commonwealth Child Care Subsidy. The extent to which families have out-of-pocket costs in excess of the Child Care Subsidy is dependent on family income, because of means testing, and the level of fee charged by their service provider.



# Universal preschool at three and four years old

## Findings

All children benefit from participating in two years of high-quality early childhood education and care on a part-time basis in the years before school.

Vulnerable children benefit more from two years of high-quality early childhood education and care and are likely to benefit from attending more hours.

To ensure universal uptake, active efforts are required to remove barriers to access to preschool.

This requires preschool to be delivered in a range of configurations that suit families.

The minimum duration of a three-year-old preschool program should be 600 hours per year, or 15 hours per week for 40 weeks a year. This universal three-year-old entitlement mirrors the universal four-year-old preschool entitlement.

Children at risk of developmental vulnerability should be able to access additional hours and days of three and four-year-old preschool. Children most at risk should be able to access up to 30 hours per week.

### Equity of support in different preschool settings

Children attending Department for Education preschools have access to a range of supports including allied health professional support, targeted funding for interventions and adjustments for students with a disability.

Long day care and non-government preschool providers have more limited access to supports, primarily through the Commonwealth's Inclusion Support Program.

Royal Commission analysis suggests that Commonwealth Inclusion Support Program expenditure equates to approximately \$180 per capita for each child enrolled in long day care. State Government expenditure on inclusion in government preschools is around \$1,200 for each 15-hour enrolment—or nearly seven times the amount spent on children in long day care.

Long day care and non-government preschools play an important role in the first 1000 days of South Australia's children, with 58 per cent of South Australian children attending a service by the age of two, and 64 per cent of children attending a service by age three.

The Royal Commission's recommendations are anticipated to lead to additional funding of \$56.7 million per annum flowing to long day care for the delivery of three-year-old preschool by 2032. This includes \$18.6 million per annum of inclusion support funding, and another \$4.3 million per annum to support targeted cost relief and outreach.<sup>127</sup>

## Flexibility of preschool hours

The Commission does not have conclusive evidence explaining the enrolment drift away from government preschools, which has fallen from a high of 81.3 per cent to 75.7 per cent in 2021.

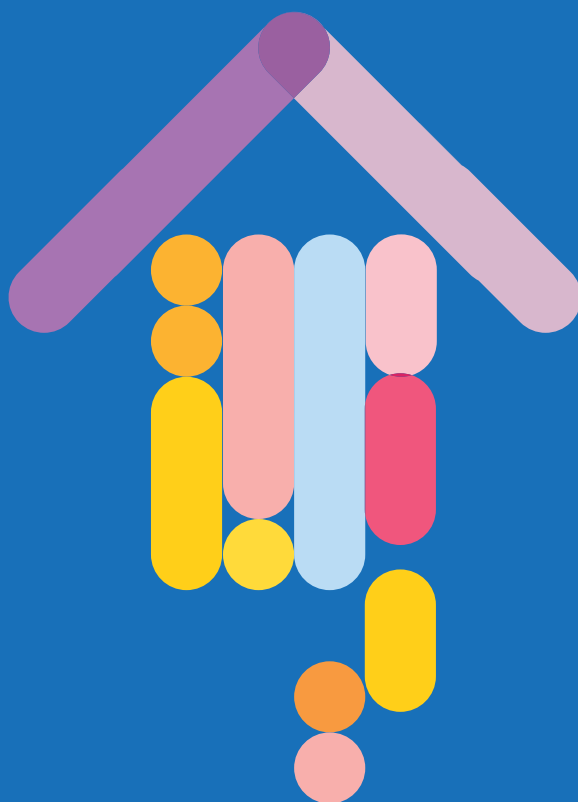
In the Commission's community survey, 320 people responded to the question about why a child was not accessing, or would not access, a government preschool.

Almost half of the responses indicated that the session did not suit their family's needs or that wrap around care (before and after preschool care) was not available.

When asked about influences for preschool choice, respondents cited the most influential factors as service location, session days and times, service reputation, word-of-mouth and support for transition to school.

The Commission finds that a likely reason for enrolment drift is the lack of flexibility of government preschool hours, and that with more flexibility, it is likely some families would make different choices.

The Commission views that, irrespective of the model for delivering three-year-old preschool, the issue of flexibility in hours in government preschools needs to be addressed.



## Costs of preschool

Families attending government preschool currently pay annual fees of between \$60 and \$1,280 a year, with an average of \$488 a year in standalone preschools, for 15 hours of preschool a week for 40 weeks a year.

Changes in Commonwealth Child Care Subsidy policy settings commencing in July 2023 have made early childhood education and care cheaper for many families.

- A family on \$98,228 (the median annual family income in South Australia) will pay \$984 per year in out-of-pocket costs (over and above Child Care Subsidy) for a preschool program of 15 hours a week, 40 weeks a year, at an average fee service (\$120 per day).
- This rises to \$1,284 per annum for a median family attending a high-fee service (\$140 per day).
- For families earning over \$156,000 annually (just over 1 in 6 South Australian households), this increases to \$1,812 per annum for an average fee service (\$120 per day) and \$2,238 per annum for a high-fee service (\$140 per day).

The Productivity Commission is likely to recommend further changes that will again increase the number of children attending early childhood education and care and the hours they attend.

With more families using long day care, and long day care potentially becoming as cheap as preschool for some families, the decision-making will change for those families for whom cost is the determining factor in enrolling in a government preschool.

## Impacts of proposed delivery model

An increase in the provision of government preschool could exacerbate the shortage of early childhood teachers in the long day care sector.

The effect of the proposed delivery model on the concentration of disadvantage in government preschools is expected to be small.

Once the State Government has access to linked Child Care Subsidy data, it should undertake further analysis to predict the likely demographic features of future three year old enrolments in government preschool.

The State Government should carefully consider how to use data linkage, regulatory visits and other mechanisms to support accountability prior to requiring additional reporting.

## Recommendation 15

### Implementing universal three-year-old preschool

That universal three-year-old preschool be delivered through the following mix of provision from 2026:

- Three-year-olds already in long day care receive their preschool through their existing setting.
- Three-year-olds who are not in long day care, or who are in a long day care that is not offering a preschool program, are able to access preschool in government preschool.
- In areas of high developmental vulnerability, there is place-based commissioning of integrated service hubs.

In the first instance, the State Government should only offer places in government preschools to those children who are not currently attending early childhood education and care (or whose service is unable to offer a preschool program, for example because they do not have an early childhood teacher on site), or to those children requiring additional hours of support (per Recommendation 25).

The State Government may wish to review this mix of provision once universal coverage is achieved, early childhood teacher workforce shortages have been ameliorated, Commonwealth Government child care funding arrangements are known and government preschools have implemented models providing more flexible hours of access.

This review could consider whether to phase in a universal guarantee of a place for every three-year-old in a government preschool, similar to that which exists at age four.

*This recommendation has been updated to identify the conditions which should be met prior to consideration of a universal guarantee of a place in a government preschool.*

## Recommendation 16

### Implementing universal three-year-old preschool—local implementation teams

Delivery of universal three-year-old preschool should be through locally based implementation teams. These teams will:

- work with local government, communities and non-government social service providers to commission 1000 new places for highly vulnerable children
- work with long day care and government preschools to ensure cost-efficient creation of new spaces in areas of undersupply (for example, through minor capital works)
- work with long day care and government preschools to consider local workforce solutions
- ensure funding provided for additional services and connection to the system in long day care is used effectively, and that the State Government gets the value of this investment
- translate the evidence of best practice in preschool delivery, as it emerges, through the entire early childhood education and care sector.



## Recommendation 17

### Implementing universal three and four-year-old preschool—supporting high-quality teaching

That the State Government provides access to the following supports and resources in all settings that deliver preschool:

- evidence-based tools for improving pedagogical approaches
- curriculum material for use in three and four-year-old preschool, noting that engagement with the resources should be part of the State Government’s funding agreement with non-government services
- professional learning for early childhood educators and teachers on early child development
- funding to support access to professional learning (including release time) and sufficient planning time for early childhood teachers.

*Note that this recommendation has been updated to refer to the State Government ‘supporting access’ to professional learning, rather than necessarily developing it itself, reflecting that a range of suitable professional learning opportunities exist.*

## Recommendation 18

### Implementing universal three-year-old preschool—parent fees in different settings

That, noting the Commission’s recommended preschool delivery model does not generally provide parents with children in long day care with the choice of government preschool at age three, and to ensure fairness between families, the State Government should consider the question of fee relief for three-year-old preschool as follows:

- a. The State Government should be proactive in the national policy discussions around early education and care and strive to get a national settlement of roles and responsibilities which has affordability issues, including for preschool, as the preserve of the Commonwealth.
- b. When the Commonwealth policy settings are known, which is anticipated to be prior to the commencement of three-year-old preschool in 2026, the State Government should consider whether any form of broad fee relief for families accessing preschool other than in government preschools is appropriate.
- c. As a design principle for any broad fee relief scheme, the Commission recommends the State Government ensures families with more financial resources and who are accessing higher fee services do not benefit disproportionately.
- d. Irrespective of the answer the State Government reaches under (b) above, a targeted fee relief scheme should be available for disadvantaged families or families facing a sudden change in financial circumstances in all preschool settings.
5. As part of its consideration of this targeted fee relief scheme, the State Government should review fee arrangements for government preschools for three and four year olds to ensure that services are not disadvantaged by non-payment of fees by families.

## Recommendation 19

### A new State Government funding model for preschool and integrated early years service delivery

- a. That the State Government consults with providers across all sectors to develop a new funding model for preschool, covering both three and four-year-old delivery and government and non-government settings.

The new funding model will support the increased expectation of, and support for, preschool outlined by this Royal Commission. The new funding model for both three and four-year-olds should include:

- funding that is sufficient to meet professional learning and release time requirements for early childhood teachers
  - loadings (or equivalent service provision) for the provision of layered supports to children in the service who are likely to be developmentally vulnerable and/or need additional support
  - support for outreach and indirect cost reduction in areas of high vulnerability (see Recommendation 20).
- b. As part of commissioning new integrated services, the State Government should consult with providers on a resourcing model to ensure adequate funding is provided for their successful operation. Note that these services will not necessarily be led by the South Australian Department for Education.

*This recommendation has been updated to include the need to review the adequacy of the funding model for four-year-olds for government preschools, with particular reference to inclusion supports.*

## Recommendation 20

### Ensuring universal uptake of three and four-year-old preschool

- a. That, to support universal participation in preschool, the State Government should invest in the following in areas of high vulnerability:
- support to services for indirect cost reduction (for example, transport), where required, to enable economically disadvantaged families to have their child attend
  - investment in services to support community outreach in areas with a lack of connection to early childhood education, as well as support communication.

(To be clear, this investment should include government preschools, as well as preschool programs delivered in long day care settings and non-government preschools provided they meet the first three conditions specified in Recommendation 21. Note that this is in addition to fee relief recommended in Recommendation 18(d).)

In addition:

- b. The Office for the Early Years should conduct an annual reconciliation of enrolment data from all available sources (including Commonwealth Child Care Subsidy records referred to in Recommendation 5) against other State Government records to identify where children have not enrolled in preschool. This data should be published at a regionally disaggregated level to enable local planning and community engagement.
- c. The Department for Education should review its policy approach to redirecting enrolments in areas of socio-economic disadvantage when a local government preschool is at capacity to ensure the alternate options identified can be accessed by families.

## Recommendation 21

### Investing to grow capacity in quality preschool settings

That the State Government support for additional capacity through investment in capital works (minor or major) be predicated on the nature and quality of the early childhood education and care system it envisions. Investment in additional capacity should prioritise services that:

- meet or exceed National Quality Standard ratings
- can demonstrate investment in workforce (for example, through staff retention / low turnover, support for quality professional learning)
- have a demonstrated ability to enrol children from hard-to-reach or vulnerable communities
- are operated by a community management committee, making it less likely the service has been able to access capital.

## Recommendation 5

### Actions for the Commonwealth Government

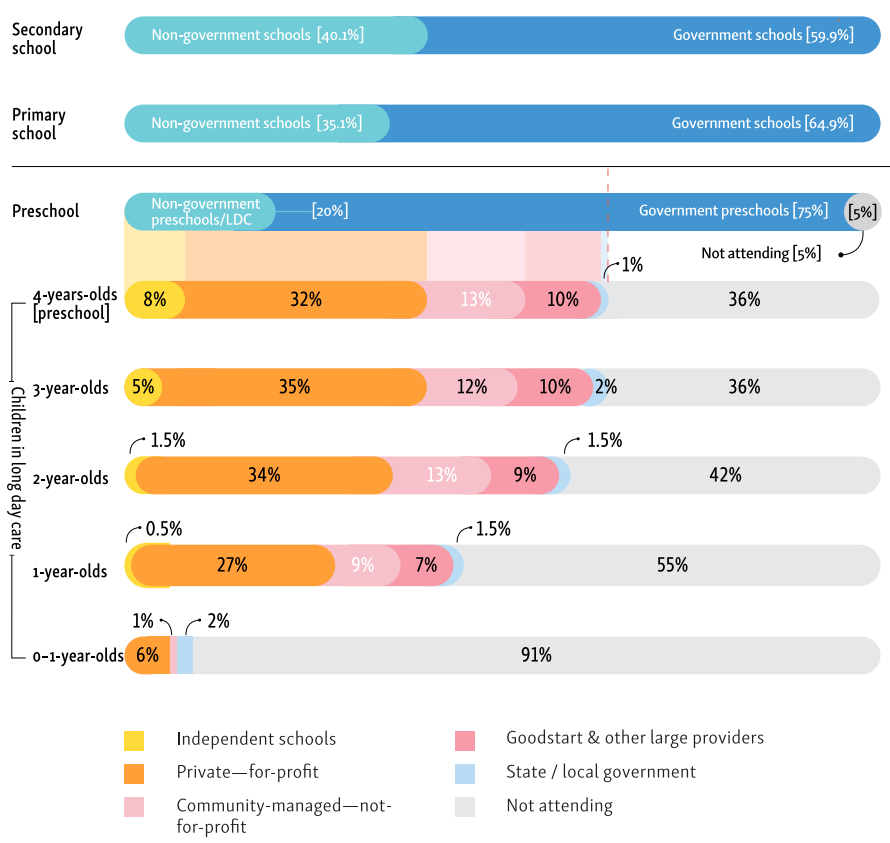
That the Commonwealth Government:

- ensures the State Government has regularly updated access to Child Care Subsidy data to support system design and insight into system-wide participation
- extends changes to the Child Care Subsidy to enable all families to access up to three days a week of care without the need to meet any activity test
- considers adopting a needs-based funding model for early childhood education and care, in recognition of the additional costs of effective inclusion of disadvantaged cohorts
- **considers introducing differential pricing in the Child Care Subsidy for younger children with higher educator-to-child ratios**
- ensures families of those children accessing out of school hours care (OSHC) located on a special school site are not unfairly financially disadvantaged by the higher costs associated with the provision of care to children with complex needs and disability
- supports an increase in the pay of early childhood education and care educators.

That the Commonwealth Government promptly amends the Child Care Subsidy Minister's Rules 2017 to allow out of school hours services operating on government preschool sites to be eligible for the Child Care Subsidy.

This recommendation is made:

- noting that Royal Commission modelling suggests South Australia currently misses out on approximately \$35.5 million per annum in Child Care Subsidy because it directly provides government preschool
- in light of the commitment made by the Commonwealth on signing the Preschool Reform Agreement to progress this matter
- most importantly, recognising that this facilitates the optimal arrangement for many children—the provision of in situ care on government preschool sites outside government preschool hours.



**Figure 13:** Where are children getting their early childhood education and care (ECEC) in South Australia?

Source: Long day care enrolment data (FY22)—internal Royal Commission analysis of Child Care Subsidy data; four-year-old preschool enrolment data—stylised distribution to reflect average patterns, with assumptions made relating to non-attendance rates, based on internal Royal Commission analysis; School enrolment data (2022)—ACARA.

## Recommendation 6

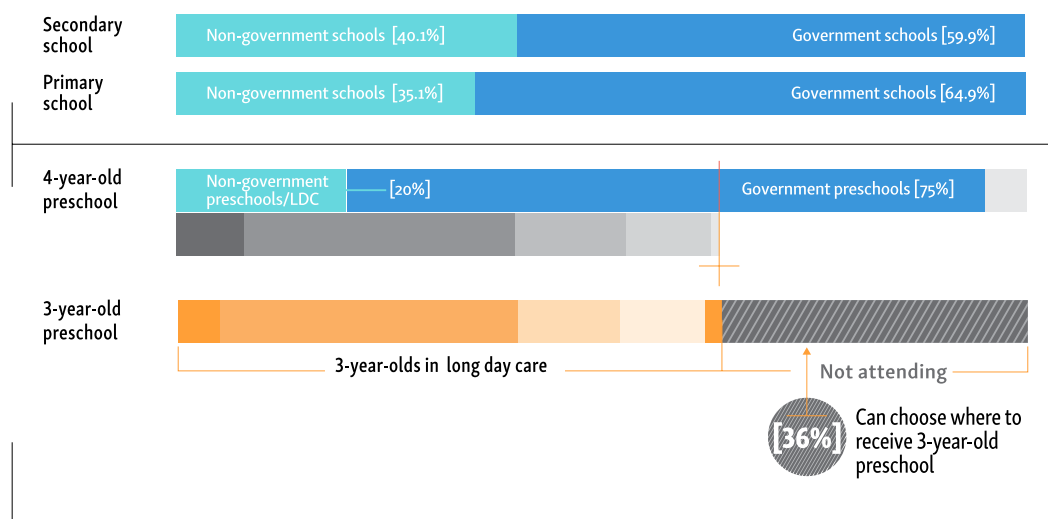
### Investing in world-class evidence and translation into practice

That the State Government invests on a long-term basis in a leading research institute or consortium of research nodes, which should become central to creating and sustaining an evidence-based early childhood education and care system. The aim of the institute or consortium would be to position South Australia at the forefront of translating new global research insights into practical and deliverable reforms.

The State Government should undertake the following initial research agenda and involve the newly established institute or consortium once it commences work:

- a. Trial, evaluate and continuously improve models of service connection and integration in the early years.
- b. Partner with the Commonwealth to trial Inklings, an early intervention program for children at risk of being diagnosed with autism.
- c. Work with the Commonwealth and other partners to fund and trial intensive early intervention in targeted cohorts.
- d. Build the evidence base about how best to engage families of children identified as highest risk to ensure successful engagement across a range of contexts (noting risk is not limited to lower socio-economic areas). This should build on the opportunity identified in the Interim Report to trial different designs of outreach and engagement from 2024.

- e. Trial and evaluate different models of allied health and other support provision (for example, small group versus educator capability building) in early childhood education and care, with a view to continuously improving the offerings.
- f. Build the evidence base of the:
  - impact on attendance and outcomes of the current delivery model of the universal preschool entitlement of 15 hours each week over three days for 40 weeks, versus two days with longer hours, with a view to considering whether 15 hours is the appropriate use of government preschool hours at age three or four if clear evidence emerges
  - best method of targeting additional hours/days for children who require additional support at age three or four
  - impact of consecutive days on attendance and outcomes
  - impact of consistent groupings on outcomes
  - impact of transitioning between different settings in a child’s daily life
  - benefit of two years of preschool with a stable cohort
  - relationship between workforce consistency and quality over time.



**Figure 14:** Proposed universal three-year-old-delivery model

The Commission's vision for three-year-old preschool is centred on children and families. It recognises the services where three-year-old children already access education and care, and the value that families place on them.

The Commission has made findings about the critical importance of quality in early childhood education and care, and we have seen and heard about quality throughout the sector.

Three-year-old preschool is a major opportunity for government to invest in what we know are the markers of quality in all parts of the sector.

The Commission acknowledges that the level and type of State Government investment it recommends in non-government providers (both long day care and non-government preschool) is new for South Australia, though it is in no way novel nationally.

It reflects a commitment to support children in quality education and care no matter where they engage in their early learning. As a result, it demonstrates the State Government's values-based commitment to every South Australian child. It is also practically required in pursuit of the aspiration that developmental vulnerability be reduced to 15 per cent or less in twenty years. This cannot be achieved without engagement with all children in all settings.

## Should there be a universal guarantee of a place in government preschool at age three?

South Australian children are universally entitled to a place in a government preschool in the year before they start school. This is accessed by between 75 and 80 per cent of South Australian four-year-olds.

Other four-year-olds access preschool in long day care and non-government preschool settings (sometimes called early learning centres). The majority of these are funded by the State Government under the national Preschool Reform Agreement (formerly Universal Access National Partnership) to provide a preschool program delivered by a degree qualified early childhood teacher.

This means that four-year-old preschool is delivered in a mixed model of preschool for four-year-old children, but it is underpinned by a universal entitlement to government preschool.

The trend line for usage patterns in this mixed model shows a drift away from government preschools and more utilisation of preschool in other settings. From 2018 to 2021 year (where the latest comparable data is available) uptake of government preschool places dropped from 81.3 per cent of all four-year-olds to 75.7 per cent. While comprehensive data is not available on the changing pattern of choices, the inflexibility of government preschool hours was frequently cited by families that participated in the Commission’s survey.

The Commission’s Interim Report recommends a mixed delivery model of preschool for three-year-old children, so in that sense it is the same as the current four-year-old model. However, a significant difference is also recommended, specifically that for three-year-olds there should be no assumption of universal entitlement to a place in government preschool.

As outlined in the Commission’s Interim Report, instead it is recommended that available space in government preschool is prioritised for children who are not engaged in any early childhood education and care (or whose service does not offer a preschool program), or for those who require more than 15 (and up to 30) hours of preschool per week. (This prioritisation of additional hours of preschool is discussed further, below.)

Currently, 64 per cent of three-year-olds in South Australia are accessing early childhood education and care in long day care or similar settings.

The cost modelling undertaken by Deloitte Access Economics on behalf of the Royal Commission assumes these children will access preschool in their current setting.<sup>128</sup>



‘My twins have just finished kindy and it was really difficult to access. With no OSHC or holiday care I had to make sacrifices at work. The 15 hours was split over 3 days which meant the third half day was never utilised—they went to long day care instead. I believe the government kindy program is important for their development, but I wish I’d just left them in full time long day care.’ Source: Parent survey respondent.



Most submissions received by the Royal Commission have endorsed the use of the mixed model overall, recognising it:

- provides greater flexibility for families, acknowledging that the long day care and non-government preschool sector is more responsive to the needs of families in relation to longer opening hours
- is most efficient, by making use of existing workforce and capacity in the long day care sector that is already delivering education and care to nearly two-thirds of three year olds
- supports State Government investment in the quality of early childhood education and care services, where many South Australian children spend a significant proportion of their time.

However, the Preschool Directors Association and the Australian Education Union have made strong representations that all families should be able to choose any preferred provider, including government preschool, similar to the arrangements which exist for four year olds.<sup>129</sup>

## Impact of a guarantee on workforce in the long day care sector

The Commission is also conscious of the challenging evidence it has heard about workforce shortages, in particular in relation to early childhood teachers.

The impact on early childhood teacher workforce demand would be higher if three-year-old preschool was generally provided in government preschools; this is due to the staffing model in Department for Education preschools.

As noted in submissions by the State Government and the Preschool Directors Association, the staffing composition in government preschools sees near double the number of teachers on site.<sup>130</sup>

In the view of some, this is a strong argument in favour of providing a universal entitlement to government preschool at age three, given the higher ratio of teachers.

However, the Commission has received evidence that quality preschool is being provided in many long day care and non-government preschools. It is not accurate to suggest quality can only be achieved with the staffing ratios of government preschools.

The Commission has been mindful of this in developing its three-year-old preschool model, as well as the need to support families with three-year-olds who cannot make government preschool hours work.

As discussed in Part One of this report, 28 per cent of long day care services do not currently have access to a fully qualified teacher on site, either because of an exemption from National Quality Framework requirements or because a teacher employed on site has a Special Authority to Teach.<sup>131</sup>

This situation requires proactive attention and remedy, irrespective of the introduction of three-year-old preschool. This report recommends (at Recommendation 23) that this data be compiled and watched closely by the State Government to understand the trajectory and use of exemptions or Special Authority to Teach.

The Commission has focused on how to introduce three-year-old preschool without worsening these workforce issues. Already there is a competition for teachers between the long day care sector and government preschools. Given that Department for Education employed government preschool teachers are paid more and have longer holidays, reflecting school terms, it is understandable that these jobs are viewed as very attractive.

Introducing three-year-old preschool, whether through a mixed model, government-only model, or a government-guaranteed place model, will necessarily result in the Department for Education hiring more teachers to cater for the growth in enrolments. In the absence of an appropriately timed and sized increase in the supply of teachers, the pool available to long day care will reduce as teachers from long day care take these new jobs.

This will lead to more long day care sites without access to early childhood teachers, which would have implications for their provision of both three and four-year-old preschool. This conclusion is logical and supported by submissions from the non government sector.<sup>132</sup>

To avoid this perverse result, it is necessary to understand and supply at the right time the required increase in the number of teachers.

Additional teachers required, by sector	Scenario 1—government preschool only	Scenario 2—long day care and non-government preschool only	Scenario 3B—mixed approach to delivery, with equity targeting
Long day care	N/A	591	372
Government preschools	811	N/A	197
Non-government preschool	N/A	40	5
Commissioned preschools (where applicable, for scenario 3B)	N/A	N/A	86
Total demand for new teachers	811	631	661

**Table 4:** Estimated incremental demand for early childhood teachers in 2032, from base case, by modelled scenario.

Source: Deloitte Access Economics, Scenario modelling: options to deliver three-year-old preschool (2023). Modelling specifications available here [www.royalcommissionecec.sa.gov.au/documents/DAE-RC-Modelling-Specification.pdf](http://www.royalcommissionecec.sa.gov.au/documents/DAE-RC-Modelling-Specification.pdf)



## Predicting family preferences

A number of submissions, including from the State Government, asked the Royal Commission to undertake modelling of likely parent preferences for government preschool or long day care-provided preschool, under different conditions.

Unfortunately, the Commission has concluded useful modelling in this area is not possible at this time because there is insufficient data and certainty of key parameters to predict parent preferences.

The Commission considers that there are strong reasons there would be reasonably low uptake of a place in government preschool at age three by families already using long day care or non-government services.

These include:

- nearly 60 per cent children at the age of two are attending long day care and families may prefer continuity of place and no transitions from setting to setting for their three-year-old children
- the increasing trend of families not taking up a government preschool place at age four, with the lack of flexibility of hours being one likely reason for this choice
- families having different expectations and interests for the education and care of their three-year-olds, preferring a less formal setting than a government preschool
- noting that the majority of four-year-olds in long day care access a government preschool as well, reluctance by families to juggle accessing two services for two years.

On the other hand, the Commission can see that there are other reasons which could drive higher uptake of government preschool by families already using long day care or non government services, including:

- while government enrolments are declining, a majority of four-year-olds in long day care still access government preschool, largely 'on top' of their existing long day care hours, suggesting families value government preschool
- the low cost of government preschool, though as discussed below, a proper accounting of the cost of government preschool needs to consider the potential costs of other care arrangements to compensate for the shorter days. The Commission notes that sensitivity to price may become stronger if a higher inflation environment persists and families are more subject to cost pressures.

In addition, there are a range of key settings liable to change in the near future which will impact parent preferences, including:

- the shifting policy landscape at the Commonwealth level, with the Productivity Commission currently considering a 90 per cent universal child care subsidy which would significantly reduce costs
- the potential impact on child care costs of higher wages pursuant to new industrial arrangements
- greater State Government support for quality and connection in long day care settings, per the recommendations of this Royal Commission
- government preschools improving their offering of flexible hours through providing out of preschool hours care, per the recommendations of this Royal Commission.

The Commission's cost model for three-year-old preschool supports planning for different assumptions and delivery scenarios.

The Commission has provided the cost model to the State Government to support its planning. The functionality built into that model will enable the State Government to consider different impacts as additional information about parent preferences becomes available, for example, from pilot provision of out of preschool hours care, per Recommendation 43.

Table 4 provides an understanding of the extra demand for early childhood teachers, by sector, as a result of introducing three-year-old preschool. Under the recommended mixed model approach, the modelling anticipates the need for 660 additional early childhood teachers, with government preschools requiring an additional 197 early childhood teachers and the long day care sector requiring 372 new teachers. (An additional 92 teachers are required to deliver preschool in commissioned services and non-government preschools.) Building the workforce by 660 teachers, which is a 33 per cent increase in the total number of early childhood teachers currently employed in South Australia, is a formidable challenge.

The cost modelling undertaken by Deloitte Access Economics on behalf of the Commission, suggests a solution relying entirely on government preschool would substantially heighten this workforce challenge, with an extra 221 early childhood teachers required totalling 881 (a 41 per cent increase in the total number of early childhood teachers).

If the State Government were to offer a guaranteed place in government preschools for all three-year-olds, then the pattern of enrolments would vary from either of the modelled options discussed above. More three-year-olds would attend government preschools than under the Commission's recommended mixed model, but the number would be less than the 100 per cent under the modelled government-only option.

As discussed in the previous section, the Commission does not have sufficient information to confidently predict family preferences and therefore model the likely enrolment patterns resulting from the government guaranteeing a place. Therefore, the quantum of the impact on staffing is uncertain.

However, it does seem safe to say that the workforce challenge would be increased as government preschools would enrol more children than under the mixed model. As a result, the risks of not getting supply right and reducing the teacher workforce in long day care are heightened, potentially considerably so.

## Impact of a guarantee on long day care business models

Another impact to be considered is the consequence for the financial model of long day care. The Commission has heard evidence that the long day care fees for three-year-olds effectively subsidise the offering of places to younger children, which require higher staff ratios. The potential decrease in three-year-old enrolment in long day care as a result of a government-guaranteed place is even harder to predict. The evidence from 4-year-olds shows many families take a government preschool place without reducing their long day care demand.

However, it seems prudent to note that if government guaranteed places for three year olds reduce long day care demand, this may have impacts on the financial robustness of long day care centres. Potential consequences include reducing places for younger children because less cross subsidy is available or jeopardising the viability of centres with thin margins.

It should be noted that in this report, and in the Interim Report, the Commission has recommended that the three-year-old cross subsidy be one of the matters raised by the State Government with the Commonwealth Government.

## The pre-conditions for considering a guarantee of a place in government preschool

In light of all of the factors raised above, the Commission recommends that the State Government not guarantee a government preschool place for three year olds at this time.

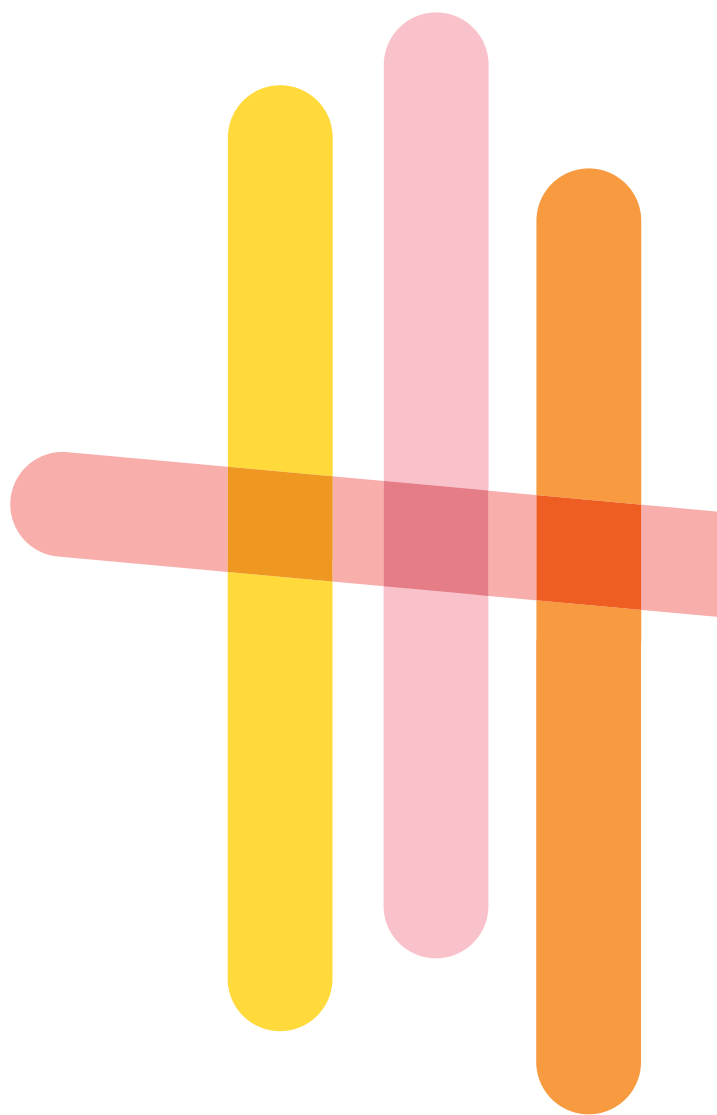
Specifically, the Commission recommends that the State Government should, in the first instance, only offer places in government preschools for those children who are not currently attending early childhood education and care (or whose service is unable to offer a preschool program, for example, because they do not have an early childhood teacher on site), or for those children who require additional hours because of risks of developmental vulnerability.

This recommendation is made because it fits with the Commission's vision of progressive universalism by putting those most in need of support first and it best avoids unintended perverse consequences.

Once universal coverage is achieved, early childhood teacher workforce shortages ameliorated, Commonwealth Government child care funding arrangements are known, and government preschools have implemented models providing more flexible hours of access, the State Government may wish to review this mix of provision.

This State Government review could consider whether to phase in a universal guarantee of a place for every three-year-old in a government preschool, similar to that which exists at age four.

Should the State Government prefer a move to a universal entitlement for government preschool, the impact on the long day care sector should be monitored, with consideration given to adjusting the funding model to ensure that providers still participate in offering preschool and children in those settings have access to qualified teachers. This includes understanding the impact on viability for non-government providers which cross-subsidise the higher ratios for younger children by also enrolling older children who are supported with lower staff ratios.<sup>133</sup>



## Concentration effects

A number of submissions drew the Commission’s attention to the potential for concentrating disadvantage in government preschools by prioritising places for children not currently accessing preschool.<sup>334</sup>

In seeking to understand this issue, the Royal Commission has benefited from access to deidentified linked datasets from the Department for Education. These describe the characteristics of the children enrolled in government preschool and track their learning outcomes through school.

Deloitte Access Economics analysis of the data finds the following:

## Current diversity of government preschools

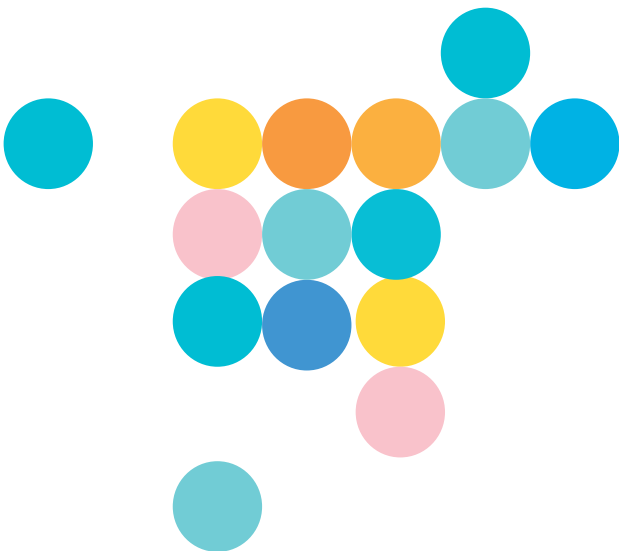
Government preschools tend to be less diverse than the communities they serve.

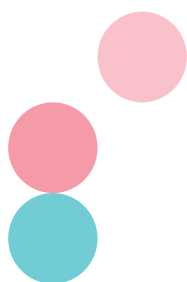
Even when viewed through the lens of smaller geographic groupings designed to represent a community that interacts together social and economically,<sup>335</sup> 62 per cent of government preschools are less diverse than their community in relation to parental occupation. However, preschools are more representative when diversity is measured in relation to parental education. This suggests that there may be some sorting along occupational lines.

## Concentration effects

The Deloitte Access Economics analysis suggests that, holding all else equal, there is a relatively linear relationship between the level of disadvantage at a child’s preschool and poorer outcomes on the year 1 phonics and year 3 NAPLAN tests. That is, children from similar backgrounds who attend a more disadvantaged preschool do worse than their peers attending preschool with a more advantaged cohort.

However, with the data available to the Commission, it is not possible to determine the degree to which this relationship is driven by preschool-level disadvantage, and how much is driven by the disadvantage in the student cohort of the schools children end up attending, or a combination of these factors. The Department for Education may wish to undertake further analysis of this question.





## The implications of the Royal Commission's model of three-year-old preschool delivery

The Commission has been asked to consider the potential impact of a delivery model that only enrolls children in government preschools who are not attending an early childhood education and care service. Will preschools end up more disadvantaged?

While it is true more disadvantaged children are less likely to attend, it does not mean all non-attenders are more disadvantaged.

In fact, as can be seen in Figure 12 (page 90) participation in early childhood education and care generally peaks in the second-highest income quintile. At age three, the middle-income quintile has higher participation than the top income bracket.

This suggests what is intuitively apparent: a range of factors in addition to workforce participation, including wealth, cultural background and availability of informal family support and more, will drive participation in early childhood education and care.

The impacts of the Commission's model will therefore vary across different preschools throughout the state.

Within lower socio-economic areas, the government preschools which serve the more disadvantaged part of the community might expect to see a larger number of enrolments than those preschools serving the more advantaged middle-income cohorts in the area.

Within the highest socio-economic areas, we might see the reverse—government preschools which serve the most advantaged parts of the neighbourhood could see more enrolments than those serving the comparatively less advantaged middle-income cohorts in the area.

Once the State Government has access to linked Child Care Subsidy data, per Recommendation 5, it will be able to better predict the likely demographic features of future three-year-old enrolments in government preschool.

## The unique value of government preschool in the year before school

The Commission recognises the special role that government preschool plays in the lives of South Australian children in the year before school and does not propose any change to the overall mechanics of the four-year-old preschool system.

For many children, government preschool provides an important time of play, learning, friendship and preparation for school.

We have heard about the importance of educational leadership in government preschools, providing mentoring of teachers across teams and supporting teacher development.<sup>136</sup>

Government preschools are part of their local community, often well connected to local primary schools, and they support a smooth transition from preschool to school. The Commission has heard that, when colocated with a school, government preschools support the continuity of friendships and connections once children move to primary school.<sup>137</sup>

Government preschools are highly regarded for their high-quality, majority-teacher workforce, and for the way they provide an entry point for many families into formal education and care and associated wider supports.<sup>138</sup> The Commission also notes the important community connection that government preschools perform.<sup>139</sup>

The Commission does not propose any change to the entitlement of a place in a government preschool for every four-year-old child in South Australia. This aligns with our understanding of the State Government's current policy aspiration.<sup>140</sup>



	Where receive preschool	Pattern of attendance	Fees —Preschool hours (15 hours / week), 40 weeks a year	Service received by children
<b>Child in long day care / ELC at age 3</b> Preschool program available	Stay in long day care / ELC	LDC—usual days, 48 weeks a year	Out of pocket fees Weekly: \$24.60–\$32.10 per week Annual cost: \$984–\$1,284	Early childhood education and care (ECEC) <b>Plus</b> 15 hour teacher led program + better supported teacher (2 hours more planning / week; 2 days of PD p.a.; plus funds for PD) + allied health and inclusion supports
<b>Child in long day care / ELC at age 3</b> No preschool program available	Go to government preschool as well as long day care / ELC	LDC—usual days, 48 weeks a year + 2.5 days/40 weeks year in government preschool (8.30 am–3.30 pm)	Out of pocket fees Weekly: \$24.60–\$32.10 per week Annual cost: \$984–\$1,284  <b>and</b>  Term fees Annual cost \$60–\$1280; average—\$488	ECEC plus  15 hour teacher led program, 40 weeks/yr + Director who is teacher + allied health and inclusion supports
<b>Child not in long day care / ELC at age 3</b>	Choice of government preschool or long day care  Assume most choose government preschool	2.5 days / 40 weeks year in government preschool (8.30 am–3.30pm)	Term fees Annual cost \$60–\$1280; average—\$488  <b>and</b> Wrap-around fees, if available	15 hour teacher led program, 40 weeks/yr + Director who is teacher + allied health and inclusion supports

However, we note that despite high levels of access to preschool across the sector for four year olds, there remain a significant proportion of children who do not access their entitlement in government preschool. There is work to be done to engage those families at both three and four.

The State Government may wish to use the difference in models to position four-year-old preschool firmly as that first year of formal engagement with public education, supporting children to engage in learning and developing the important predispositions to lifelong learning.

The Commission notes that this, for example, is the model which the Australian Capital Territory (ACT) is moving towards.

In the ACT, four-year-old preschool is delivered by government-run preschools. In the 2023–24 Budget, the ACT Government announced that, from 2024, one day a week of free three-year-old preschool will be offered exclusively through long day care services.<sup>141</sup>

**Figure 15:** How the Royal Commission's recommended model works

Source: Child care fee data— internal Royal Commission analysis using ABS Census 2021 income data, ACCC fee data, and Starting Blocks Child Care Subsidy online calculator. Preschool fee data— Department for Education advice to Royal Commission.

## Should State Government provide fee relief to reduce the cost of preschool?

### The challenge of comparing fees between government preschool and long day care

The Interim Report did not propose any change to parent fees for three-year-old preschool.

In this section, the Commission endeavours to compare the costs incurred by families attending a government preschool versus a family that accesses a preschool program in long day care.

The figures cited below show what families pay today for four-year-old preschool, noting that the Commonwealth introduced new, much more generous Commonwealth Child Care Subsidy arrangements on 1 July 2023, and this had the effect of reducing out-of-pocket costs.

As noted above, out-of-pocket costs for preschool vary now from family to family, and service to service because Child Care Subsidy is means tested and it does not rise proportionally for higher fee centres.

An hourly comparison gives the following result:

- A family on \$98,228 (the median annual family income in South Australia) will pay \$984 per year in out-of-pocket costs for a preschool program of 15 hours a week, 40 weeks a year, at an average fee service (\$120 per day).
- This rises to \$1,284 per annum for a median family attending a high-fee service (\$140 per day).
- For families earning over \$156,000 annually (just over 1 in 6 South Australian households), this increases to \$1,812 per annum for an average fee service (\$120 per day) and \$2,238 per annum for a high-fee service (\$140 per day).

By contrast, a family attending government preschool currently pays annual fees between \$60 and \$1,280 a year, with an average of \$488 a year in standalone preschools. However, there is a contrast too in the number of hours for which the fee is paid.

It should also be noted these figures have been generated using an hourly cost comparison to give figures showing the cost to families of accessing 15 hours of preschool per week for 40 weeks a year in each setting. The Commission recognises that while this approach generates a clear comparison, it does not reflect real world patterns of access to long day care. Centres are routinely open 11 to 12 hours per day with the preschool program embedded during the hours of care. Commonly, families pay a standard daily rate for long day comprising 10 hours of care and are unable to purchase fewer hours in a day, even if their child does not attend all 10 hours.

Generating a more real world comparison of costs is really not possible without knowing details of a family's need for care. Families tend to need more paid care for their child than the 15 hours a week provided by preschool. In situations where a family needs 20 or 30 or 40 hours of paid care a week, the question of whether accessing preschool and the needed hours of care all at once in long day care is more cost effective than accessing a government preschool place and extra hours of paid care elsewhere is not a question that can be answered without detailed information.

Evidence tells us that for four-year-olds, families do not tend to reduce their long day care demand even though they are accessing a government preschool place. It seems safe to assume many families are accessing and paying for both long day care and a government preschool place on the same day.

Put simply, if a family needs care for a child while they engage in full time or near full time working hours, without more information about how care needs will be met, the family's income (and therefore Child Care Subsidy rate), and the cost of care in their area, it is not possible to tell whether accessing preschool at long day care or accessing government preschool plus additional care is cheaper.

## Should fee arrangements be different for three-year-old preschool than for four-year-old preschool?

As noted above, out-of-pocket costs for four-year-old preschool vary now from family to family, and service to service. The Interim Report did not propose any change to this approach to parent fees for three-year-old preschool.

However, since delivering the Interim Report, the Commission has reflected further on this area of fee comparison.

The Commission has considered the difference between the four-year-old preschool model in operation now, which guarantees a government preschool place, and the mixed model for three-year-old preschool, as described above and recommended by the Commission.

It is inherent in the current four-year-old model that families have a choice between a government preschool place or accessing preschool in long day care.

The term ‘choice’ needs to be qualified. A choice is available in the sense that the State Government will fund a place. However, a real choice may not be available because families have no capacity to make the arrangements necessary to get children to and from preschool for the limited hours it is in operation.

Even with these limitations, however, families do have some choice, and the evidence does show families weigh up cost and convenience factors before making their decisions.

In this context, the possibility of State Government fee relief to families accessing four year old preschool through long day care services has not been a significant part of South Australia’s early childhood policy discussion, although the Commission notes it received some submissions on this from long day care providers.

In the Commission’s mixed model for three-year-old preschool provision, however, families will not have the same kind of choice.

The question therefore arises more sharply. If families must access their three-year-old preschool in long day care, should they be entitled to some form of State Government-supported fee relief?

As a matter of theoretical fairness, it seems enticing to answer yes to that question.

As a matter of practice, though, the question is more complicated.

As noted above, comparing the cost of government preschool to a preschool program in long day care is not straightforward.

Making a balanced judgement on whether any fee relief is needed or appropriate would be a very hard exercise even in a policy context where other policy settings in early childhood education were known and unchanging. However, that is not today’s context.

As noted elsewhere in this report, further Commonwealth Government changes to the Child Care Subsidy, and more generally to early childhood education and care, are expected following the Productivity Commission report. These changes are expected to be announced, and perhaps implemented, before the introduction of three-year-old preschool in 2026. It may be that these changes have a further significant impact on reducing child care costs.

The Commission is now of the view that the State Government should revisit the question of the potential for broad fee relief for those accessing preschool under the mixed model in long day care once the impact of Commonwealth Government changes is known.

The Commission stresses that readers of this report should not conclude that a broad fee relief scheme will be enacted. It may well be that analysis under the newly emerging policy settings shows that there is no need or strong policy reason for any such relief.

In its Interim Report, the Commission was mindful of the implications of cost as a barrier for access, and recommended funding for targeted cost relief, both direct and indirect, for services in disadvantaged areas.



In this final report, the Commission makes two related recommendations. Firstly, and consistent with the Interim Report, it recommends funding flow to services in disadvantaged areas to support outreach, as well as indirect cost reduction (for example, by funding buses).

Secondly, and irrespective of the conclusions the State Government reaches on broad fee relief, the Commission recommends the State Government provide targeted fee relief for disadvantaged families and those undergoing some kind of financial shock. This targeted fee relief should be available in all preschool settings.

The Commission reiterates, as detailed in other sections of this report, that the State Government should be proactive in the national policy discussions around early education and care and strive to get a national settlement of roles and responsibilities which has affordability issues, including for preschool, as the preserve of the Commonwealth.

Further, as a design principle, the Commission recommends that in any broad fee relief scheme considered, the State Government should ensure families with more financial resources and who are accessing higher fee services should not benefit disproportionately from the State Government fee relief.

Finally, the Commission notes the submission of the Preschool Directors Association that fee relief should also be extended to disadvantaged families in government preschools, acknowledging that services do not recover fees from families that do not pay, leaving preschools with funding shortfalls. The Commission considers that this should be a factor in the State Government's final decision about the appropriate support package in the lead-up to implementation in 2026, noting that government preschools will also receive funding for indirect cost reduction, as well as community outreach, under the Commission's proposed funding model.

For completeness, the Commission notes that some other States have chosen to make preschool in all settings free. The Commission deliberately decided not to go down this path. Instead its recommendations focus on ensuring that State Government funding goes into investments in quality. They were also framed around the Commission's view that the Commonwealth should have primary responsibility for affordability of early childhood education and care, including preschool.

## A child-centred approach

A number of submissions drew the Commission's attention to potential impacts on children and their wellbeing from different delivery models.

For example, the Preschool Directors Association point to the benefit of having a stable cohort of peers for two years in their government preschool.<sup>142</sup>

Goodstart, on the other hand, note that the current four-year-old model sees many four year olds spend part of their week in long day care and part of their week in government preschool.<sup>143</sup>

The Commission notes that there is limited evidence about what works best for what children.

The Interim Report made recommendations about the need to build the evidence base further about these matters, with a view to allowing parents to make informed decisions.

The Commission confirms these recommendations in Recommendation 6.

## Ensuring a high-quality, sustainable early childhood workforce

The Commission's Interim Report made recommendations that influence quality of practice across the early childhood workforce and are expected to boost workforce satisfaction and retention.

The Commission is pleased to confirm these recommendations in this Final Report, as well as provide additional findings and recommendations to support a high-quality, sustainable early childhood workforce.

## Findings

Quality matters in early childhood education and care, and the quality of workforce is a key driver of overall quality. There are longstanding systemic issues with the attraction and retention of the early childhood workforce nationally, with shortages in South Australia particularly concentrated in the long day care and non-government preschool sector.

Growing the workforce is a shared responsibility with the early childhood sector, tertiary and vocational education training providers, states, territories and the Commonwealth.

Growing the number of early childhood educators and, in particular, early childhood teachers will require action: from attraction, to training and development, to transition to work and early career support, to sustaining and growing the workforce.

Analysis undertaken by the Royal Commission shows that 28 per cent of long day care providers do not have a fully qualified early childhood teacher in a designated role.

This is either because they have a waiver under the National Quality Framework and/or are employing someone with a Special Authority to Teach from the Teachers Registration Board.

The Royal Commission's recommendations in relation to implementing three-year-old preschool will improve conditions for early childhood teachers operating in long day care services (see Recommendation 17).

In particular, the Royal Commission's recommendations lead to anticipated funding of \$10.8 million per annum by 2032 in long day care services directly supporting teacher conditions. This will provide:

- an additional two hours of non-contact / release time per week for teachers
- an additional two days of annual paid leave for teachers for professional development
- around \$400 (per 15-hour preschool enrolment) to be used towards professional development across the whole service.

Matching the salary of early childhood teachers in long day care to that of teachers in government preschool would cost an additional \$17.5 million per annum by 2032 (assuming current pay and relativities in the sector).

## Recommendation 22

### Establishing an Early Childhood Workforce Fund

That the State Government commits \$14 million per year to an Early Childhood Workforce Fund.

- The purpose of the Fund will be to increase the supply of the early childhood education and care workforce, with a particular priority on ensuring sufficient workforce for the delivery of universal three-year-old preschool.

While the Fund is intended to be ongoing, the annual allocation will be subject to review after four years of operation.

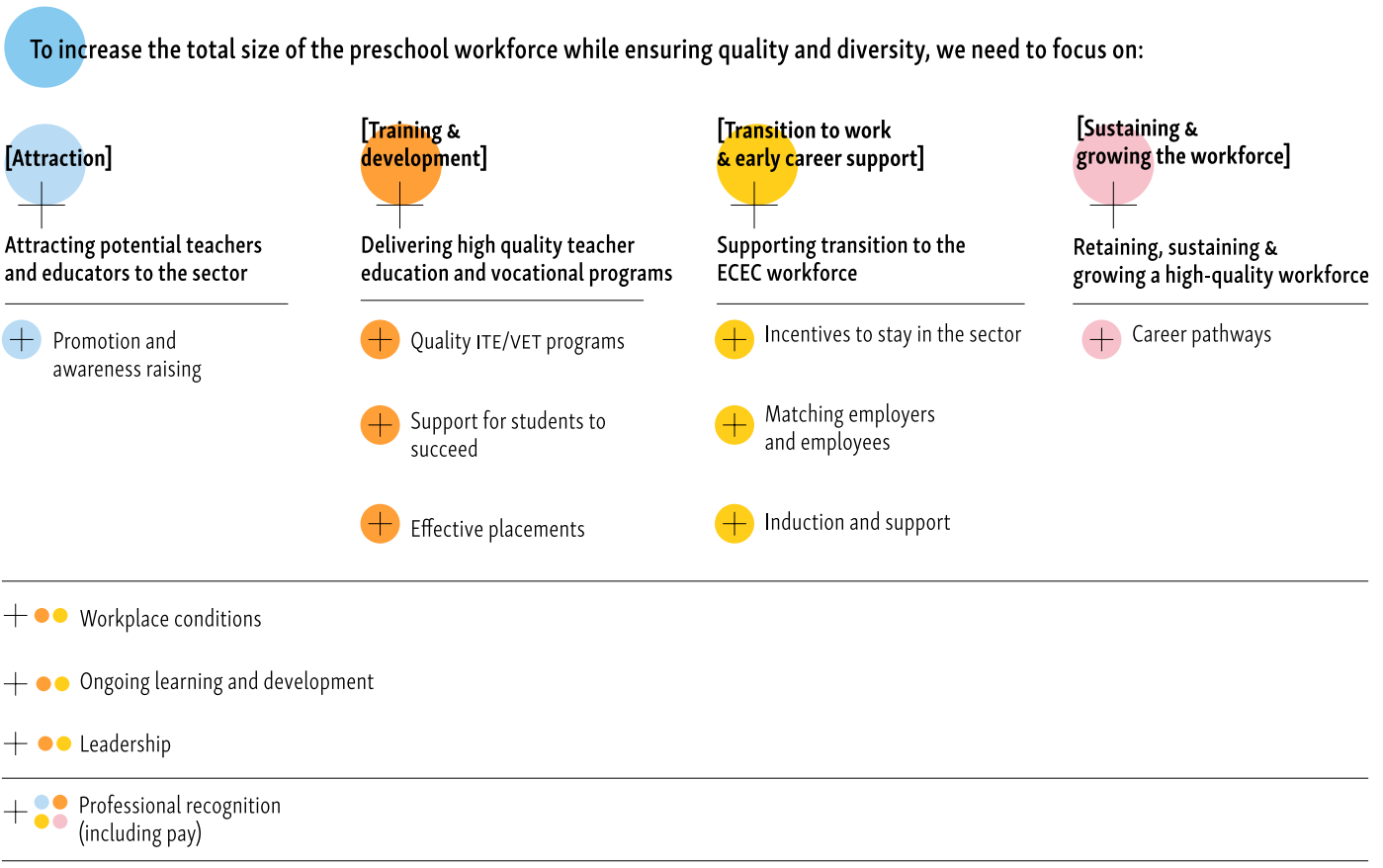
## Recommendation 23

### Appointing an Early Childhood Workforce Coordinator General

That the State Government establishes the role of Early Childhood Workforce Coordinator General in the Office for the Early Years to:

- a. work across the sector and relevant government agencies and statutory authorities to undertake early childhood sector-wide workforce planning, including taking note of the current workforce profile and risks, including
  - regularly compiling data from the Teachers Registration Board and the Education Standards Board to understand the distribution of less than fully qualified teachers across all services
- b. drive workforce-related recommendations arising from this Royal Commission, notably in relation to the registration of specialist birth-to-5 early childhood teachers with degrees accredited by the Australian Children's Education and Care Quality Authority (ACECQA) (see Recommendation 24)
- c. drive delivery of initiatives funded from the Early Childhood Workforce Fund, including
  - working with the sector and universities around scholarships, pathways, accelerated pathways and paid placements
  - working with the sector and vocational education and training (VET) providers, in particular TAFE and technical colleges, around fee-free early childhood qualifications and paid placements
  - working with the sector on initiatives to support local workforce attraction (for example, in disadvantaged or regional communities) and innovative models of soft entry into workforce and pathway development (for example, those being trialled by Gowrie SA or developed by the Front Project) publicly report progress against delivery of workforce supply targets in relation to three year old preschool.

In line with the Royal Commission's vision for South Australia as being at the forefront of developing ideas about what works, it is intended that the Early Childhood Workforce Fund will support trialling and monitoring different approaches, with a view to ensuring the most effective and efficient suite of activities.



**Figure 16:** The workforce pipeline

Source: Reproduced from *ECEC Workforce discussion—supporting slide deck*, S Fox, dandolopartners, commissioned for the Royal Commission, 2023, p 2

The issues relating to the early childhood workforce are well canvassed.

*Shaping our Future*, the National Children’s Education and Care Workforce Strategy (2022—2031), for example, provides a recent summary of the key issues; although there has been some criticism of the strategy for a lack of committed funding across all the key areas from different partners.

The Commission notes with approval recent commitments in the Commonwealth 2023–24 Budget to \$72.4 million nationally over five years for professional development, including subsidising training, providing financial assistance for paid practicums, and supporting practicum exchanges between different early childhood education and care providers. This investment builds on a partnership between the Commonwealth and states and territories, including South Australia, to support fee-free TAFE and VET for early childhood qualifications.

To support its consideration of workforce issues, the Royal Commission commissioned Ms Stacey Fox from dandolopartners to provide a framework for discussion of key early childhood workforce issues.

This framework was discussed at length in the roundtable on three-year-old preschool and the Commission is satisfied it captures the broad range of policy levers and program options available to the State Government in building the workforce required.

As noted in the roundtable, there is no one-size-fits-all solution, and there will be a need for a mix of activity across a range of different areas.

Key challenges	Levers available to State Government
<b>Attraction</b>	
Increasing the number, quality and diversity of people interested in an early childhood education and care (ECEC) career	
<ul style="list-style-type: none"> <li>▪ Public perceptions—boosting the public perception of the sector and countering negative perceptions</li> <li>▪ Perceived barriers—addressing financial and logistical barriers to studying (especially for upskillers and mature entrants)</li> <li>▪ Ensuring a diverse workforce—across gender, socio-economic status, race and cultural background—including attracting Aboriginal and Torres Strait Islander teachers and educators, men, people from culturally diverse and lower socio-economic backgrounds</li> <li>▪ Attracting candidates with the right attributes—targeting people with the attributes and mindsets needed to succeed in ECEC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Communication and messaging / social marketing</li> <li>▪ Targeted recruitment programs for priority cohorts</li> <li>▪ Careers advice through schools</li> </ul> <p>Examples of innovation</p> <ul style="list-style-type: none"> <li>▪ Victoria’s social marketing campaign for early childhood teachers</li> <li>▪ Targeting diploma qualified educators for upskill programs</li> <li>▪ Targeted recruitment and engagement with priority communities</li> <li>▪ Guaranteed employment offers or other incentives that make preschool more attractive than primary teaching</li> <li>▪ Fee waivers for VET programs and scholarships for Bachelors programs</li> </ul>
<b>Training and development</b>	
Ensuring Initial Teacher Education (ITE) and Vocational Education and Training (VET) programs are effective, students are supported to succeed, and effective placements help students to be job-ready	
<ul style="list-style-type: none"> <li>▪ Content and structure of ITE programs—including amount of early childhood content in Birth to 8 degrees and level of child development focus</li> <li>▪ Quality of VET programs—some programs do not provide sufficient rigour or support, reducing the value of the qualification</li> <li>▪ Drop-out rates—high drop-out rates indicate challenges with attracting the right candidates and providing the level of support needed to succeed at university</li> <li>▪ Placement effectiveness—placements are critical but hard to access, cause financial stress and services can’t always provide the level of support and coaching students need</li> <li>▪ Preparation for the workforce—students do not always feel adequately prepared for their role</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regulatory and policy influence over ITE program requirements</li> <li>▪ Promotion and support for known quality providers</li> <li>▪ Investing in wrap around programs for target cohorts</li> <li>▪ Brokering partnerships between ITE/ VET providers and employers</li> </ul> <p>Examples of innovation</p> <ul style="list-style-type: none"> <li>▪ Partnerships between ITE providers and employers to support placements and guaranteed jobs</li> <li>▪ ‘Earn while you learn’ employment-based pathways into teaching, and ‘permission to teach’ arrangements that get people into employment earlier</li> <li>▪ Accelerated Bachelor programs</li> <li>▪ Flexible delivery of ITE programs (part-time, online)</li> </ul>

**Table 5:** Framework for discussing early childhood workforce

Source: *Reproduced from ECEC Workforce discussion—supporting slide deck, S Fox, dandolopartners, commissioned for the Royal Commission, 2023*

Key challenges	Levers available to State Government
<p><b>Transition to work and early career</b></p> <p>Increasing the number of early childhood trained teachers and educators who work in the sector, and ensuring their entrance into the workforce sets them up for success</p> <ul style="list-style-type: none"> <li>▪ Teachers choosing schools—usually because of differences in pay, access to professional support / learning / networks, and conditions</li> <li>▪ Some settings are preferred over others—preschools can be more valued than LDCs, reflecting differences in pay, conditions and perceived professional recognition</li> <li>▪ Attracting teachers and educators to ‘hard to staff’ services—services in regional and remote areas, and in disadvantaged communities, struggle to attract quality staff</li> <li>▪ Variable support for induction—not all workplaces adequately support new teacher and educators and help manage early career challenges (including any mismatch between expectations and practice, professional isolation, and practice development)</li> <li>▪ Teacher registration—provisionally registered teachers can struggle to access the mentoring and support needed for full registration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reducing financial / housing barriers to working in regional and remote areas</li> <li>▪ Regulatory requirements</li> <li>▪ Strengthening support for teacher registration</li> <li>▪ Communication and messaging about the value of all ECEC services</li> </ul> <p>Examples of innovation</p> <ul style="list-style-type: none"> <li>▪ Financial incentives to work in regional and remote services, including provision of housing</li> <li>▪ Structured (and remunerated) mentoring programs focused on enabling teacher registration</li> <li>▪ Graduate teacher professional networks</li> <li>▪ Local learning networks, facilitated / enabled by departmental staff, bringing together educators, teachers and/or centre directors from LDCs and preschools</li> </ul>

**Table 5:** Framework for discussing early childhood workforce

Source: *Reproduced from ECEC Workforce discussion—supporting slide deck, S Fox, dandolopartners, commissioned for the Royal Commission, 2023*

Key challenges	Levers available to State Government
<p><b>Sustaining and growing the workforce</b> Ensuring positive workplaces that provide conditions that support effective teaching, ongoing learning, strong leadership and career pathways</p>	
<ul style="list-style-type: none"> <li>▪ Career pathways—there’s limited career planning and opportunities for specialisation in ECEC</li> <li>▪ Leadership development—leadership is a key determinant of employee satisfaction and retention, service quality and children’s learning and development, but few leaders in early childhood have access to dedicated learning and support</li> <li>▪ Variability in workplace conditions—not all teachers and educators have access to the workplace conditions that support quality teaching, including: <ul style="list-style-type: none"> <li>▶ Time for planning</li> <li>▶ Access to quality professional learning opportunities, including ongoing, embedded learning and reflection</li> <li>▶ Opportunities to connect, learn and reflect with peers and colleagues</li> <li>▶ Opportunities for autonomy, ownership and input into decisions</li> <li>▶ Flexibility and rostering models that account for individual circumstances</li> <li>▶ Support for wellbeing—positive work cultures, access to Employee Access Programs, contemporary HR practices</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimum requirements for receiving preschool funding (i.e., guaranteed minimum planning time)</li> <li>▪ Provision of leadership training for centre directors</li> <li>▪ Industry support for small business to strengthen operating models</li> </ul> <p>Examples of innovation</p> <ul style="list-style-type: none"> <li>▪ In-house leadership programs for new Centre Directors</li> <li>▪ Highly Accomplished and Lead Teacher accreditation</li> <li>▪ Specialist coaching roles (i.e., in literacy, inclusion, etc)</li> <li>▪ Support, resources and coaching to enable preschools and LDCs to adopt new structures / operating models</li> </ul>

**Table 5:** Framework for discussing early childhood workforce

Source: *Reproduced from ECEC Workforce discussion—supporting slide deck, S Fox, dandolopartners, commissioned for the Royal Commission, 2023*

To deliver the recommended mixed model of three-year-old preschool in South Australia, the Commission's modelling has identified that around 660 additional early childhood teachers will be required. In addition, the model requires 880 educators (other staff working with children, who must hold at least a certificate III qualification), and 120 other roles such as service Directors.

As shown in Figure 17, in 2021 there were only 2001 early childhood teachers working in South Australia.

The requirement of 660 additional new teachers as a result of the introduction of three year old preschool therefore equates to a 33 per cent increase in the total number of early childhood teachers.

This is on top of the existing shortfall of around 130 fully qualified early childhood teachers in the long day care and non-government preschool sector in 2023.

Further, these figures do not account for the increase in demand for an early childhood workforce that is likely to follow from the improved Child Care Subsidy arrangements from 1 July 2023.

	Early Childhood Teachers	Early Childhood Educators
<b>Workforce supply (2021)</b>		
Department for Education preschools*	1,040 (includes leaders qualified as teachers)	1,009
Non-government sector <sup>†</sup>	961	6,305
<b>Additional workforce supply</b>		
Required workforce—to fill ESB waivers and TRB Special Authority to Teach positions <sup>‡</sup>	141	NA
Required for three-year-old preschool (recommended model) by 2032	660	880

**Figure 17:** The gap between the current and required workforce

Source:

\*Unpublished Department for Education (SA) (2021) data provided to Royal Commission.

<sup>†</sup> Highest level of ECEC-related qualifications of paid contact staff in a teaching field, as captured in 2021 National Workforce Census

<sup>‡</sup> Unpublished Education Standards Board and Teachers Registration Board (Quarter 1 2023) data provided to Royal Commission

There is no question that workforce supply in early childhood education and care is a significant risk to achieving early childhood reforms both in South Australia and elsewhere around the nation.



The question of workforce supply is complex and involves the universities and VET providers; employers—large and small (including the South Australian Government as a significant employer); the enterprise bargaining process; and the influence and decisions of states and territories, and also the Commonwealth Government.

The Commission has heard about the role of state governments in attracting the early childhood workforce to places like Victoria, and that incentives give educators and teachers a reason to contemplate pursuing a career in some states over others.<sup>144</sup>

In considering the appropriate level of investment for the State Government in early childhood workforce to deliver three-year-old preschool, the Commission is mindful of the scale of investments being made by other states that are significantly expanding their early childhood education and care offerings. For example:

- Victoria is investing approximately \$370 million over seven years to attract and upskill early childhood teachers and educators.<sup>145</sup> This includes scholarships, incentives, traineeships and career advancement programs.
- New South Wales is investing \$281.6 million over four years to attract more staff to the early childhood education and care sector, retain current teachers and educators, and provide more opportunities for existing workers to upskill.<sup>146</sup>

Each state begins from a different point. The Commission recognises that South Australia has long provided a significant investment in early childhood educators and teachers as the single largest employer, with pay and conditions that are sector leading.

However, as noted above, that investment is double-edged and, in the Commission's view, has contributed to the concentration of workforce shortages in the non-government sector, in particular in relation to early childhood teachers.

Relative to the population of children aged under five, an investment equivalent to that of New South Wales and Victoria in South Australia would be around \$55 million over four years.

The Commission's recommendation of \$14 million per annum (\$56 million over a four year period) is both consistent with national best practice and reflects a need to catch up in investments in the non-government early childhood workforce pipeline.

The proposed Early Childhood Workforce Fund is intended to operate in addition to the State Government's contribution to fee-free TAFE and VET training under its partnerships with the Commonwealth.

It will also be supplemented by the anticipated \$10.8 million per annum expenditure by 2032 built into the Commission's cost model for improving teacher conditions in long day care services.

The \$10.8 million expenditure forms part of the overall \$56.7 million per annum funding anticipated to flow to long day care providers by 2032 for three-year-old preschool programs.

A number of submissions argued that in addition to the need to improve conditions for early childhood teachers in long day care, the State Government should consider partly or wholly supplementing the wage differential between long day care and government preschool teachers.

The Commission has undertaken further analysis of this to better understand its implications.

Under the Commission's recommended model, a commitment to match the salary of early childhood teachers in long day care to that of teachers in government preschool would cost \$17.5 million per annum by 2032, on top of the overall \$162.7 million per annum recurrent funding required to deliver the Commission's recommended model (Recommendation 15).

Note that this is the cost of matching the salary of teachers for the hours they are delivering a funded preschool program, so if they deliver one 15-hour program, this cost would cover the incremental increase in their salary for those 15 hours only. This has been developed at current pay rates and relativities between the sector and will change with forthcoming enterprise bargaining in both the government and non-government sectors.

Notwithstanding these uncertainties, it is clear that pay parity would be a significant expense, and the Commission is not convinced that it is appropriate for the State Government to take on this responsibility.

At this stage, the Commission is satisfied that the Early Childhood Workforce Fund is the appropriate way for the State Government to progress action on early childhood workforce shortages.

# Early childhood teacher qualifications

## Findings

### Including relevant findings from Interim Report)

A preschool program is defined as one delivered by a degree qualified early childhood teacher.

The professional skills and judgement of teachers make an important contribution to quality delivery of preschool, and early childhood education and care more generally.

South Australia's proud history in early childhood education includes the creation of the Adelaide Kindergarten Training College in 1907, which resisted early efforts at amalgamation into the Education Department Training College. The College remained institutionally separate from colleges providing school teacher training until the 1970s. This includes a history of innovation in making the delivery of early childhood teacher training accessible for Aboriginal people, including in remote areas. In 1976, South Australia was the nation's earliest adopter of a policy requiring the registration of teachers who work in early childhood settings, recognising these teachers demonstrate the same degree of professional expertise as teachers working in schools.<sup>147</sup>

### Regulatory framework

The Teachers Registration and Standards Regulations 2021 (SA) prescribe that for a teacher to be registered in South Australia, they must have completed an approved four year teacher education degree (with practicum) or a three year undergraduate degree in any discipline, with an approved one-year postgraduate qualification for preservice teacher education (with practicum).

The regulations further prescribe that the accreditation standards for approved teaching degrees are the standards published by the Australian Institute for Teaching and School Leadership (AITSL).<sup>148</sup>

In practice, the Teachers Registration Board also issues a 'Special Authority to Teach' to people who are not fully qualified, in circumstances where a service cannot secure a fully qualified teacher. This is usually subject to the person being on a pathway to completion of the required qualification.

Around 8 per cent of the total early childhood teacher (ECT) workforce in early childhood education and care outside the government preschool system are utilising a Special Authority to Teach.

Not all jurisdictions require the registration of early childhood teachers with the local teaching regulatory authority.

Of those jurisdictions that do require registration of early childhood teachers, some recognise early childhood teaching degrees approved by the Australian Children's Education and Care Quality Authority, even where those degrees have not been accredited according to the AITSL standards.

## The state of play with initial teacher education (ITE) offerings

The current four-year birth-to-8 degrees offered in South Australia provide less opportunity to deeply explore early child development and learning, with approximately 70 per cent of the content of the degree focused on matters particularly relevant to primary school settings, and only 30 per cent focused on matters particularly relevant to early childhood settings.

South Australian ITE providers have provided evidence that meeting the AITSL requirements in the birth-to-8 degree requires a greater focus on school-based educational content to the detriment of early childhood content.

Knowledge about what works to support early childhood learning and development, and for which children, is growing rapidly.

A specialised early childhood teaching degree focused on birth to 5 (including the transition to school) could support deeper expertise in early child development and learning. This is consistent with the experience of other Australian states and some jurisdictions internationally, where specialised three-year birth-to-5 degrees are the norm.<sup>149</sup>

Nationally, a number of ITE providers are moving to more flexible provision in recognition of poor completion rates and significant workforce shortages, in both early childhood teaching and initial teacher education more generally.<sup>150</sup>

More flexible provision includes such matters as increased recognition of prior learning (RPL) and paid internship models at the end of degrees. These innovations aim to redress poor degree completion rates, as well as support a more diverse range of entrants to the early childhood workforce who find traditional pathways too expensive or inflexible.

## Rigour, professional standing and pathways

Despite direct questioning, no evidence has been put before the Commission comparing the rigour of the ACECQA accreditation process against the AITSL standards.

However, the Commission has heard evidence about the ACECQA process and is satisfied its accreditation requirements for three-year birth-to-5 degrees reflect the educational needs of children in birth-to-5 early childhood education and care settings.

The Commission finds that three-year birth-to-5 teaching degrees permit a specialist focus on early child education and development that is not present in four-year birth-to-8 teaching degrees being offered in South Australia.

The Commission acknowledges the concern of some stakeholders that a shift from a four year to a three year degree will result in a loss in status for the early childhood teaching profession, which could be reflected in reduced salaries. The Commission recognises that professional standing and pathways are important components to improving the attractiveness of early childhood teaching.

The Commission considers that the length of a degree is not a determinative factor in professional standing and not something people dealing with professionals tend to know or care about. On the question of salary, the evidence is to the contrary in Victoria, which recognises three year ACECQA accredited degrees, where the Victorian Early Childhood Teachers and Educators Agreement (2020) (VECTEA) has a mid-point wage more than 15 per cent higher than the wage paid, on average, to teachers in long day care services in South Australia.<sup>151</sup>

In relation to pathways, the Commission notes that, in addition to innovative paid internship models identified above, the University of South Australia is currently proposing a three year birth-to-5 degree, with an optional extra year that enables graduates to have a four year birth-to-8 qualification.

The Commission notes the imperative to build on South Australia's history of innovative pathways to build further modes for Aboriginal people to enter the profession. This includes pathways from dedicated Aboriginal roles in preschools and early childhood settings, such as those envisaged as a result of Recommendation 14 (Supporting Aboriginal Community Controlled Organisations) and Recommendation 32 (Aboriginal three-year-old preschool).

A three-year birth-to-5 degree will support an increase in the early childhood teacher workforce, through:

- registering existing early childhood teachers living in South Australia who hold ACECQA accredited qualifications and are not currently able to hold teaching roles
- increasing the speed with which students graduate and improving completion rates
- reducing the number of teachers transferring from early childhood education and care to the primary schooling sector.

## Recommendation 24

### Early childhood teacher—qualifications

- a. That the State Government promptly amends the Teachers Registration and Standards Regulations 2021 to allow teachers to be registered as early childhood teachers if they hold a degree certified by the Australian Children's Education and Care Quality Authority (ACECQA).

That the registration of teachers holding an ACECQA accredited three-year birth-to-5 degree will be held on a separate register from teachers holding a four-year Australian Institute for Teaching and School Leadership (AITSL) accredited qualification.

- b. The State Government should consider commissioning an independent early childhood expert review comparing the ACECQA accreditation standards with the AITSL standards, in light of best practice in early childhood education.

.....

An early childhood/primary degree aims to prepare pre-service teachers for teaching across two educational settings that are very different in governance, funding and curriculum.

Primary school teaching is based on the delivery of a mandatory curriculum where children are largely taught content knowledge, and the teacher usually plans and manages the learning.

Teaching in the early childhood setting requires application of the Early Years Learning Framework (EYLF) where learning through play is endorsed as the key pedagogical practice.

There is neither syllabus nor prescribed content knowledge.

It is the teacher's role to integrate knowledge of children, play based pedagogy and curriculum content knowledge to guide children's learning.

Boyd, W., & Newman, L. (2019). Primary + Early Childhood = chalk and cheese? Tensions in undertaking an early childhood/primary education degree. *Australasian Journal of Early Childhood*, 44(1), 4–13, p. 21

# Regulatory framework for early childhood teachers

## National Quality Framework

The National Quality Framework requires at least 50 per cent of educators for early childhood education and care settings to be diploma qualified or higher, or actively working towards that qualification.

A service must also provide access to an early childhood teacher.

All other educators must be certificate III qualified.

Under the National Quality Framework an individual can be counted as an early childhood teacher if they:

- hold an approved early childhood teaching qualification OR
- hold a former approved early childhood teaching qualification that commenced before 1 January 2012 OR
- hold a qualification that the Australian Children’s Education and Care Quality Authority (ACECQA) has determined to be an equivalent early childhood teacher qualification OR
- hold a qualification that ACECQA has assessed as equivalent to an approved early childhood teaching qualification.

Teacher registration is not a requirement for early childhood teachers under the National Quality Framework but is a requirement under some state and territory legislation.

To comply with the National Quality Framework, teacher education qualifications in Australia with an early childhood component must meet ACECQA’s approval, in addition to any state-based requirements for teacher registration.

## Teachers Registration Board

In South Australia early childhood teachers must be registered with the Teachers Registration Board.

The functions of the Teachers Registration Board are set out in the *Teachers Registration and Standards Act 2004 (SA)* and include:

- to administer the provisions of this Act for the regulation of the teaching profession
- to accredit initial teacher education programs [within the university setting]
- to develop and maintain codes of conduct for registered teachers and persons granted a special authority to teach under the Act
- to promote the teaching profession, and to promote and implement professional standards for teachers
- accreditation of initial teacher education programs.

The Act also outlines the process for accrediting initial teacher education (ITE) programs requiring the Teachers Registration Board to apply ‘prescribed accreditation standards’ in their determination of an ITE accreditation.

Regulation 5 of the Teachers Registration and Standards Regulations 2021 states:

.....

For the purposes of the definition of prescribed accreditation standards in s19A(4) of the Act, the *Accreditation of initial teacher education programs in Australia—Standards and Procedures* published by Education Services Australia is prescribed.



The *Accreditation of initial teacher education programs in Australia—Standards and Procedures* are published by the Australian Institute for Teaching and School Leadership and usually referred to as the ‘AITSL standards’. They were developed in 2011 and revised in 2015, with further amendments made in 2018 and 2019. The standards and procedures set out the requirements that an ITE program must meet to be nationally accredited. They are designed to ensure that all graduates of ITE meet the Australian Professional Standards for Teachers at the Graduate career stage.

Further to a review of the quality of ITE, Education Ministers agreed in July 2023 to:

- develop national practical teaching guidelines by the end of 2023
- amend accreditation standards and procedures by the end of 2023
- ensure core content is embedded in all ITE programs before the end of 2025.<sup>152</sup>

## Requirement for teachers to be registered

Section 21 of the Teachers Registration and Standards Act 2004 (SA) sets out the criteria for registration, including qualifications and experience, that are either prescribed by regulation or determined by the Teachers Registration Board, as appropriate, for registration. A person must also meet other requirements for registration which may be prescribed in regulations or contained in professional standards for teachers or otherwise determined by the Teachers Registration Board.

The Regulations prescribe that the qualifications, experience and requirements for registration as a teacher are:

an approved teacher education degree, diploma or other qualification awarded on satisfactory completion of a higher education course of pre-service teacher education in preschool, primary or secondary education that:

- is of at least four years full-time duration or part-time or equivalent duration; and
  - includes a practical student teaching component undertaken at a school or prescribed service; or
  - an approved non-teacher education degree, diploma or other qualification awarded on satisfactory completion of a higher education course that is at least three years full-time duration or part-time equivalent duration; and
  - an approved postgraduate degree, diploma or other qualification awarded on satisfactory completion of a higher education course of pre-service teacher education in pre-school, primary or secondary education that:
    - is of at least one year full-time duration or part-time equivalent duration; and
    - includes a practical student teaching component undertaken at a school or prescribed service.
-

## Defining appropriate teacher qualifications for early childhood settings

Internationally, there are various models of structuring early childhood teaching qualifications, but there is no universal agreement regarding the optimal model, knowledge, skills and dispositions an early childhood teacher should have to provide high-quality early childhood education and care.<sup>153</sup> That said, while ACECQA's preferred configuration is a birth-to-8 degree, some academics express a preference for a program focused on children aged birth to 5, and birth-to-5 qualifications are preferred by many employers.<sup>154</sup>

In South Australia, students seeking to qualify as an early childhood teacher can choose between a number of four-year undergraduate degrees and shorter postgraduate degrees offered at Flinders University and the University of South Australia. These degrees meet the Teachers Registration Board requirements because they meet the AITSL standards. In addition, these degrees are accredited by ACECQA as being suitable for early childhood teachers, and therefore meet the National Quality Framework requirements.

All of these qualifications have a birth-to-8 focus and prepare teachers to work across early childhood and the transition to early primary school.

In their written submission to the Commission, the University of South Australia indicates roughly 70 per cent of the content in the birth-to-8 degree relates to the primary school curriculum, while the remaining 30 per cent focuses specifically on children aged birth to 5.<sup>155</sup> In oral evidence, Professor Munguia from Flinders University agreed this was reflective of the breakdown of the current birth-to-8 degree offered by Flinders University as well.<sup>156</sup>

The Commission has heard a range of views in relation to whether people holding three-year birth-to-5 degrees accredited by ACECQA should be registered as early childhood teachers in South Australia.

The Teachers Registration Board, for example, strongly resists the idea, saying it is committed to 'quality teaching in all education sites' and recognises 'a continuum of practice and recognition of excellence without "dividing a profession" or lowering the quality of teaching delivered to very young children'.<sup>157</sup>

On the other hand, Goodstart strongly submits that South Australia needs to come into national alignment and recognise ACECQA accredited teaching degrees.<sup>158</sup>

In its written submission, the Teachers Registration Board identifies the key areas of difference where it views the AITSL standards as more rigorous than ACECQA standards.

ACECQA approved three year qualifications do not provide graduates with the same levels of understanding of the Australian curriculum, learner development or teacher development and leadership as provided under the APST [Australian Professional Standards for Teachers] focus, within ITE accredited programs. ACECQA also do not require a pass of LANTITE [Literacy and Numeracy Test for Initial Teacher Education] as part of their assessment programs.

In consideration of the above, these differences are related to an arguably more rigorously tested ITE accreditation program delivery. Further, the ITE accredited programs include the provision of a final practicum placement that assesses current, and promotes future pre-service teacher performance, against moderated, nationally aligned assessments.<sup>159</sup>

These areas will be discussed in turn, with a view to understanding the nature of the differences identified, and whether the Commission considers that they are meaningful in relation to early childhood education.



### **Understanding of the Australian curriculum, learner development, teacher development and leadership**

The Commission's review of ACECQA's Qualification Assessment Guidelines suggests that ACECQA accreditation does consider curriculum in areas such as learner development, teacher development and leadership (see Table 6).

Despite repeated questioning, no evidence was provided to the Commission by the Teachers Registration Board about the asserted difference in levels of understanding relevant to early childhood education that can be expected from an ACECQA accredited degree compared to a four-year degree that meets the AITSL standards.

Further, the Commission notes that there is some question as to how consistently AITSL standards are applied nationally. For example, the Teacher Education Expert Panel report, recently endorsed by the Education Ministers Meeting, notes the following:

[T]here are insufficient mechanisms to ensure all Teacher Regulatory Authorities are consistently assessing ITE programs against the Accreditation Standards and Procedures in the same way. There is also no systematic approach or program of research designed to inform improvements to the quality of ITE programs. This reflects the fact that there is no single body responsible for ITE.<sup>160</sup>

Education and curriculum studies	Teaching pedagogies	History and philosophy of early childhood	Early childhood professional practice
<ul style="list-style-type: none"> <li>▪ Early Years Learning Framework</li> <li>▪ the Australian curriculum</li> <li>▪ numeracy, science and technology</li> <li>▪ language and literacy</li> <li>▪ English as an additional language</li> <li>▪ social and environmental education</li> <li>▪ creative arts and music</li> <li>▪ physical and health education</li> <li>▪ curriculum planning, programming and evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ alternative pedagogies and curriculum approaches</li> <li>▪ play-based pedagogies</li> <li>▪ guiding behaviour / engaging young learners</li> <li>▪ teaching methods and strategies</li> <li>▪ children with diverse needs and backgrounds</li> <li>▪ working with children who speak languages other than, or in addition to, English</li> <li>▪ contemporary society and pedagogy.</li> </ul>	<ul style="list-style-type: none"> <li>▪ historical and comparative perspectives</li> <li>▪ contemporary theories and practice</li> <li>▪ ethics and professional practice.</li> </ul>	<ul style="list-style-type: none"> <li>▪ educational leadership</li> <li>▪ management and administration</li> <li>▪ professional identity and development</li> <li>▪ advocacy</li> <li>▪ research.</li> </ul>

**Table 6:** Selected areas of required curriculum content of qualification for accreditation by ACECQA

Source: ACECQA, *Requirements for early childhood teaching program assessments*, n.d.

***Final practice practicum placement that assesses current, and promotes future pre-service teacher performance, against moderated, nationally aligned assessments***

In defence of its position that ACECQA approved three-year qualifications provide less rigour than the accreditation of initial teacher education programs in Australia (AITSL standards), the Teachers Registration Board submission placed weight on the teaching performance assessment (TPA) used to assess the practical skills and knowledge of pre-service teachers completing an AITSL accredited ITE program.

The TPA requirement was introduced in 2019.<sup>161</sup> This form of assessment was not required by AITSL prior to 2019.

The Commission notes that the AITSL accreditation requirements only have application to primary and secondary education programs. In the case of a combined degree (for example, birth-to-8 or birth-to-12, the AITSL accreditation requirements will only apply to the primary component of the education program. ACECQA, operating under the National Quality Framework, has full jurisdiction over any birth-to-5 education programs regardless of program duration.

In practical terms, combined programs need to meet the requirements of both AITSL and ACECQA; therefore, they require a TPA in order to meet the AITSL standards with respect to the primary component of the program.

However, a birth-to-5 program of any duration will not require a TPA. This is because ACECQA does not have an equivalent requirement of the TPA required by AITSL.

In her evidence, Dr Lomax-Smith stated that whilst ACECQA qualifications

are a university degree, they are not equipping those graduates for the teaching profession. I think, my understanding is that the three year degree does not include all the elements for teaching and particularly they don't have the compulsory professional placements.<sup>162</sup>

The Commission notes that whilst ACECQA does not require a TPA, it does require 80 days of supervised professional experience for undergraduate early childhood teaching qualifications, including a minimum of 10 days in Australian early childhood settings with children under three.

### ***The role of the Literacy and Numeracy Test for Initial Teacher Education (LANTITE)***

The Australian Council of Educational Research notes:

The Literacy and Numeracy Test for Initial Teacher Education Students (the test) is designed to assess initial teacher education students' personal literacy and numeracy skills to ensure teachers are well equipped to meet the demands of teaching and assist higher education providers, teacher employers and the general public to have increased confidence in the skills of graduating teachers.<sup>163</sup>

The test was introduced in 2016, and the Teachers Registration Board has submitted that the LANTITE is a third important component of the difference in quality between ACECQA accredited and AITSL standard ITE offerings.

However, the Commission notes that, in oral evidence, representatives of both the University of South Australia and Flinders University expressed concern about the use of LANTITE in early childhood teaching programs.

In her evidence, Dr Raymond notes that there is presently no evidence to suggest that LANTITE has lifted the quality of early childhood teachers. Professor Morgan notes, however, that there **is** evidence that LANTITE disadvantages Indigenous Australians. In Professor Morgan's framing, while LANTITE measures particular literacy and numeracy skills, it does not teach English or how to use it. Professor West from Flinders University agreed with those views.<sup>164</sup>

These sentiments were repeated in roundtables held by the Royal Commission, with few advocates for the benefits of LANTITE in the early childhood sector, and many comments around the disincentive effect of LANTITE on graduates, particularly those from diverse backgrounds.<sup>165</sup> Experts assisting the Commission did note that universities, through foundation courses and other mechanisms, should assist students to meet literacy and numeracy standards as measured by LANTITE.

### **Overall comparison**

In relation to considering whether ACECQA accreditation is compromised because of the absence of reference to AITSL standards, including LANTITE, the Commission is faced with some difficulty in resolving the matter.

Witnesses and stakeholders have asserted strong and competing views; however, the Commission has been led to no clear evidence of the impact on teacher quality in either direction. Broadly, it should be noted that states that recognise birth-to-5 qualifications and consequently have meaningful numbers of early childhood teachers holding those degrees in their workforce do not underperform on assessments against the NQF, nor have higher developmental vulnerability as measured by the Australian Early Development Census (AEDC). Indeed, many of these jurisdictions record a better current performance than South Australia.

The Commission is faced with clear evidence of meaningful shortages of early childhood teachers, and the impact this has on the quality of early childhood education and care overall.

Further, the Commission has evidence that ACECQA qualified teachers are being refused registration to teach in this situation of scarcity. The Commission also knows of at least one South Australian university that wishes to offer a faster, more direct route to qualifying as an early childhood teacher and is of the view that this would improve completion rates.<sup>166</sup>

In this context, the Commission notes that it does not need to be satisfied that ACECQA accredited degrees are ‘the same as’ degrees meeting the AITSL standards.

Rather the Commission only needs to be satisfied that ACECQA accredited degrees are appropriate for setting teacher qualifications in early childhood settings.

The Commission is satisfied on the basis of the evidence presented that this is the case.

The Commission considers that the Teachers Registration Board is presently in a difficult position. While, in its written submission, the Teachers Registration Board has expressed a willingness to assess four-year birth-to-5 degrees for accreditation in South Australia, the Commission notes that such accreditation would not currently be possible without amendment to Regulation 5 of the Teachers Registration and Standards Regulations 2021 (SA) allowing for accreditation in South Australia of ACECQA assessed ITE programs.

## The question of professional standing

While few submissions discussed AITSL versus ACECQA accreditation, many submissions expressed profound concerns about the impact of accreditation on the professional standing of early childhood teachers.

It is the Commission's view that the question of professional standing is the primary driver of sector concern with recognising three-year ACECQA accredited degrees.

For example, when asked about a three-year degree, Professor Sue Irvine from Queensland University of Technology (QUT) replied: 'So I am very concerned about the messaging at a time when we are looking at promoting professional recognition in the community, the link between professional recognition and professional remuneration and conditions, I worry about what I think can really only be perceived as lowering standards for teachers working in that part of the education continuum.'<sup>167</sup>

Similarly, the Independent Education Union expressed concern about confirming the perception that teaching preschool age children is a lesser status career,<sup>168</sup> while the Australian Education Union submitted that all children in early childhood education have a right to engage with fully qualified teachers.<sup>169</sup>

However, there was also widespread recognition that the status quo is leading to a growing number of children not having access to a fully qualified teacher in their early childhood education and care service. Further, most stakeholders recognise that this situation will only be exacerbated by the introduction of universal three-year-old preschool.

In this context, a number of submissions supported the registration of three-year birth to 5 degree holders as a transition measure to increase workforce supply in early childhood education and care services.<sup>170</sup>

In a similar vein, others argued that three-year birth-to-5 qualified teachers should be registered in some provisional way, subject to a commitment to complete a fourth year of traditional study, or something more innovative.

For example, a number of submissions noted that a more proactive approach to recognition of prior learning (RPL) at the beginning of degrees, and/or paid 'internship' models at the end, could bridge the gap between a three-year and four-year degree. The Early Learning and Care Council of Australia (ELACCA), for example, recommended consideration of a four year degree, completed with an internship in the final year.<sup>171</sup>

Similarly, Professor Irvine argued for a 'more scaffolded approach' that maintains the requirement for a four-year degree but allows pre-service early childhood teachers some of the opportunities that are happening in the school sector in terms of internship models, for example.

By way of example, she pointed to the Masters of Teaching program offered by QUT, where 18 months of teaching is condensed to 12 months by using summer semesters (meaning students complete an extra six months within the first 12 months of the degree).

The Queensland Department of Education provides a \$20,000 scholarship to assist students while studying, and it also guarantees employment at the end. Professor Irvine explained that at the end of the first year, students have in fact completed 18 months of the two-year degree and the Queensland Department of Education then places them into schools with particular, identified staffing needs. Students undertake online learning in the second year while working.

However, evidence from Chief Executive Officer of the Front Project, Ms Jane Hunt, suggests that these intensive 'fast track' models are not well suited to disadvantaged cohorts, placing significant additional pressure on students while they juggle study and work.<sup>172</sup>

The Commission recognises that professional standing and pathways are important components to improving the attractiveness of early childhood teaching.

The Commission's view, however, is that a specialised three-year birth-to-5 degree should not damage the professional standing of early childhood teachers, and can be understood to recognise a depth of professional expertise in early child development.

In any event, the Commission considers that the length of the degree is not a determinative factor in professional standing, in the public's eyes, or pay and conditions.

The Commission also notes that, as part of introducing the three-year birth-to-5 qualification, work should be done by universities, TAFE, the Office for the Early Years and the Early Childhood Workforce Coordinator General to better articulate learning and employment pathways for those in the early childhood education and care sector.

It should be possible for a parent who volunteers at their own child's government preschool, long day care centre or early learning centre and develops an interest, to go on a learning and employment pathway of first becoming certificate-qualified, seamlessly moving towards attaining a diploma, and then becoming qualified in a three-year birth-to-5 degree. There could also be the potential at later stages to study a relevant master's degree or articulate their qualification to a four-year degree which enables them to meet the Teachers Registration Board requirements to teach in a primary or secondary school.

This pathway should be made as easy as possible for all to walk, with full recognition of prior learning, streamlining of the entry form-filling requirement to move from one qualification to the study of the next, the innovative use of work-while-studying apprenticeship models, mentoring and potentially financial support.

Extra effort should be undertaken to make ensure this pathway can be walked by mid-career changers, Aboriginal South Australians, culturally and linguistically diverse communities, and those from economically and socially disadvantaged backgrounds.<sup>173</sup>

## Hierarchy of qualifications in Early Childhood Education and Care

### Early childhood teacher

Becoming an early childhood teacher requires tertiary study. This includes at least one year of teacher education study. The most common qualifications are:

- an undergraduate early childhood qualification (for example, Bachelor of Early Childhood Education)
- a 'pathways' course that allows those with an approved diploma in children's services to complete a degree in early childhood education.

### Early childhood educator— diploma qualified

The National Quality Framework requires at least 50 per cent of educators to either hold or be actively working towards a diploma qualification.

Diploma qualifications are achieved through vocational education and training (VET), and commonly include:

- Diploma of Early Childhood Education and Care.

### Early childhood educator

There are a range of qualifications and training that support becoming an accredited early childhood educator. These include VET qualifications in education and care such as:

- Certificate III in Early Childhood Education and Care
- Certificate III in School Based Education Support
- Certificate IV in School Based Education Support.

Other VET pathways include pre-apprenticeships, apprenticeships, traineeships or school based apprenticeships in children's services.

## A divided register or an integrated profession?

The question of a divided register intersects closely with the question of professional standing.

The Teachers Registration Board submission cited above, for example, argues that a single register allows ‘a continuum of practice and recognition of excellence without “dividing a profession” or lowering the quality of teaching delivered to very young children.’<sup>174</sup>

The implicit, and sometimes explicit, argument of the Teachers Registration Board is that the community standing of teachers of school age children will translate to increasing the community standing of teachers in early childhood settings, if the two teaching roles are viewed as equivalent.

The Commission recognises the powerful historical force this argument has had in ensuring that government preschool teachers in South Australia benefit from the same conditions as government school teachers.

However, the Commission is unpersuaded by its ongoing relevance in the modern early childhood education and care sector.

It is the Commission’s view that, as the lines between preschool and early childhood education and care have blurred, the funding and governance arrangements of the broader early childhood education and care sector have a much greater impact on the pay and conditions and professional standing of early childhood teachers than a single register for the teaching profession and/or cross-recognised degrees.

The Commission points to South Australia as evidence for this. The state has had a single register for teachers since 1976, the earliest operating by more than two decades. However, pay and conditions, and arguably professional standing of teachers operating in long day care settings, remain below those of at least some interstate counterparts.

In Victoria, by contrast, all teachers must be registered with the Victorian Institute of Teaching (VIT) (the regulatory body). Those who wish to teach in a school setting must hold an approved ITE qualification or equivalent, accredited by the VIT. Those who wish to teach in an early childhood setting must hold an early childhood education qualification approved or recognised by ACECQA.

The Commission understands that Victoria does not accredit early childhood programs, but rather VIT accepts the ACECQA assessment endorsement. VIT only accredits ITE programs.

There are two types of full registration:

- a. Teachers with full registration can teach in any Victorian primary or secondary school or specialist education provider.
- b. Early childhood teachers with full registration can teach in any Victorian early childhood education and care setting (for example preschool, long day care or kindergarten).

Dual registration is when someone holds both teacher and early childhood registration.

The Victorian register is sometimes referred to as a ‘divided register’.

The Commission’s view is that this is an appropriate model to adopt in light of the lack of definitive evidence, referred to above, about the relationship between the two accreditation requirements of AITSL and ACECQA.



## Opportunities to review and reflect on early childhood ITE

A rigorous comparison of AITSL and ACECQA requirements could be an area of fruitful further inquiry by the State Government.

The Preschool Directors Association, for example, have called for a review of all ITE programs offered in South Australia to ensure adequate content of curriculum, pedagogy and practical experience relevant to children of preschool age (three to five).

In their view, the outcome of the review should ensure early childhood education degrees maintain parity, rigour and a level of professionalism with those of primary and secondary teacher qualifications.<sup>175</sup>

On a related note, in July 2023, the Education Ministers Meeting agreed to progress changes to initial teacher education, which include amending accreditation standards and procedures by the end of 2023 and embedding core content in ITE programs before the end of 2025.<sup>176</sup>

The proposed core content includes one theme discussed at length in this Royal Commission:

The foundations of **how a student's brain develops from early childhood through to young adult[hood]**, including the development of executive functions and the implications for teaching.<sup>177</sup>

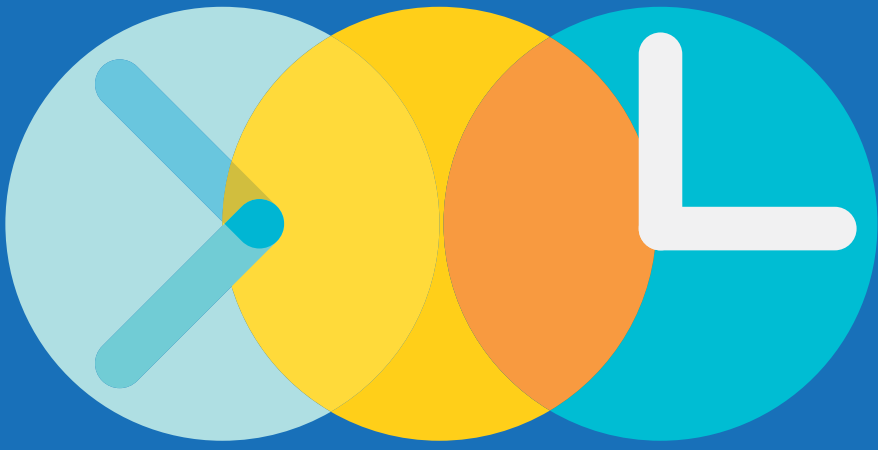
However, the Commission notes that the Teacher Education Expert Panel report does not refer to ACECQA's role in accrediting ITE for early childhood teachers and makes very limited reference to the early childhood context for teaching.

This suggests there will need to be active effort to reconcile this national agenda with the specific questions about ACECQA accreditation canvassed in this Royal Commission.

If progressed, an independent review could be tasked with identifying the preconditions for ACECQA accredited degrees to be included on the existing teacher register.

The outcome of such a review could inform the State Government to:

- advocate in the national space about including early childhood-appropriate content, consistent with that included in ACECQA, in AITSL standards
- advocate to ACECQA regarding its accreditation process to increase alignment with AITSL; and/or
- establish additional state specific standards to enable a return to a united teacher register administered by the Teachers Registration Board.



## Additional hours for those who need it

The Interim Report recommended that children at risk of developmental delay should be able to access additional hours and days of three and four-year-old preschool, with up to 30 hours per week for those most at risk.

## Findings

*Including relevant findings from Interim Report*

Progressive universalism refers to having the capacity within a universal service delivery platform to ‘ramp up’ the intensity or nature of services to meet the needs of those for whom a standard service is not enough.<sup>178</sup>

Building early child development systems that are progressively universal ensures the system supports healthy child development in children from all different walks of life.<sup>179</sup>

South Australian children have a rate of developmental vulnerability on entry to school of 23.8 per cent. The national average rate of developmental vulnerability is 22 per cent.<sup>180</sup>

Providing 30 hours a week of preschool to the 1000 children in each year level identified as being at greatest risk of developmental vulnerability is estimated to cost \$30.3 million per annum by 2032.

In the event that half of the children accessing additional hours move from ‘developmentally vulnerable’ to ‘on track’, South Australia would fall below the national average rate of developmental vulnerability.<sup>181</sup>

South Australia has the opportunity to continue to build knowledge about how to target additional hours of preschool, and what that additional time in preschool should look like. The data which the State Government can use to target interventions for children likely to be developmentally vulnerable is improving.



## Recommendation 25

### **Additional hours of three and four-year-old preschool—short-to-medium term**

That, in the short-to-medium term, the State Government provides up to 30 hours of preschool in the two years before school to around 1000 children in each year level who are identified as being at greatest risk of developmental vulnerability.

Eligible children should be identified using the best available insights from analysis of linked datasets. In terms of the location in which they receive their entitlement:

- Primarily, these children should receive their additional hours through newly commissioned integrated service hubs, per Recommendation 15. Locations for these centres should be chosen on the basis of high developmental vulnerability to ensure strong coverage of the eligible children.
- Eligible children could also receive their additional hours through utilising spare capacity in government preschools.
- Eligible children could also receive their additional hours through preschool programs offered in long day care or non-government preschool services.
- In any event, the State Government should ensure that cost is not a barrier to participation in the additional hours.

That, as part of the roll out of additional hours to children at highest risk of developmental vulnerability, the State Government should continue to refine the data infrastructure and analysis to target additional supports to children at greatest risk of developmental vulnerability.

## Recommendation 26

### **Additional hours of three and four-year-old preschool—long term**

That, over the longer term, the State Government expand eligibility for additional hours of preschool to a greater number of children at high risk of developmental vulnerability.

This should be considered as part of a suite of strategies to meet a long-term aspiration of reducing the rate of South Australian children entering school developmentally vulnerable to 15 per cent in twenty years (per Recommendation 1).

## Recommendation 27

### **Alternative learning models for three-year-olds in communities with very low rates of preschool enrolment**

That the State Government commits to co-designing and rigorously evaluating a small number of alternative early learning models for three-year-olds in specific communities where there are very low rates of enrolment in a traditional four-year-old preschool program.

Noting this may change with the national settlement regarding responsibilities, these programs should be funded at a rate of approximately \$11,500 per child (indexed and based on current per child cost of providing government preschool).

Rigorous evaluation is required, and models and service providers may change with evaluation. However, ongoing funding should be allocated to the overall program on the basis of an assumed rate of uptake in specified communities.

These programs should be eligible for capital investment in line with established criteria for investment in early childhood education and care services.

Among others, the following elements should be considered in the co-design process:

- that programs are designed with input from expert early childhood teachers
- that programs are delivered by organisations with existing connections to the community
- that programs include a workforce drawn from the local community, without requiring formal qualifications on entry to the workforce (though people may be supported to engage in a formal pathway over time)
- that programs include incentives to families to support their engagement
- that programs support connection to the broader education system, including schools.

Communities should be selected on the basis of very low rates of access to traditional four year old preschool programs.

Children who are enrolled in these programs would be eligible to transition to a traditional four-year-old preschool program or continue in this program.

*Note that this recommendation has been updated to explicitly include the involvement of early childhood teachers in program design, and to consider the connection to the broader education system, including schools.*

## Recommendation 28

### Connecting children at child protection risk to early childhood education and care

That the State Government takes an active role in connecting the families of children at child protection risk to early childhood education and care.

This could include:

- developing referral pathways for children identified as being at risk, including from the Child and Family Support System, as well as other early years service providers who identify children in particular need
- identifying appropriate early childhood education and care services for at-risk children in a particular area, and where no appropriate services exist with the capability to work with at-risk children, working intensively with local providers to build capability
- progressively introducing funding for the costs of engagement, outreach and additional supports (as recommended for preschool in the Interim Report) for enrolled children who are identified as being at risk.

In response to the call made in the Interim Report for feedback on the targeting of additional hours, the Commission received a number of submissions.

The State Government, Preschool Directors Association and Goodstart all identified the need to support children at risk of abuse and neglect.

Other suggested cohorts included children from low-income families, Aboriginal children, children with additional needs and children in State Government care.<sup>182</sup>

Some of the specific issues and opportunities for connecting children in contact with the child protection system to early childhood education and care from birth are discussed below.

The question of additional hours for Aboriginal children is one that the Commission views as best addressed through listening to the Aboriginal community, per Recommendation 32 below.

However, the Commission considers that, in general, the State Government should resist the impulse to define eligibility with reference to fixed demographic cohorts.

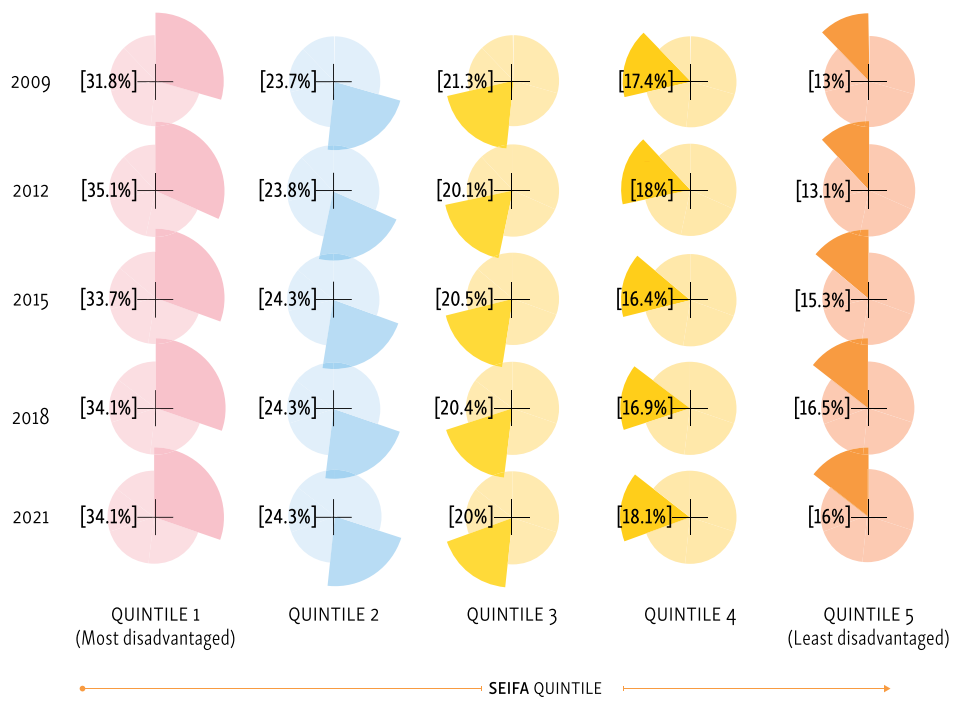
The evidence received by the Royal Commission cuts against the use of fixed demographic criteria in a number of ways.

Firstly, as noted in the literature review commissioned for the Royal Commission, the evidence is ‘mixed on dosage and duration of exposure [to preschool], and varies according to factors including child risk ... Outcomes may vary as a result of duration, with some evidence that socioemotional outcomes are less positive with greater ECEC duration.’<sup>183</sup> That is, not all children will benefit from additional hours, and it is important to properly identify those children who will.

Secondly, not all children within a given demographic are at greatest risk of being developmentally vulnerable. Further, many children outside commonly identified demographics will end up developmentally vulnerable. As shown in Figure 18, developmental vulnerability exists in all socio-economic quintiles and is growing fastest in upper-income areas.

Finally, additional hours are of no use to children who are not effectively accessing their universal entitlement in the first place. For example, the Commission has heard about poor rates of uptake of preschool among children with disability. The State Government must prioritise successful inclusion of children with a range of needs, and from a range of backgrounds, to support access to their universal entitlement.

Recommendation 13 in Part One provides for a range of activities to improve inclusion in early childhood education and care more broadly, while Recommendation 20 refers to the need for specific efforts in relation to preschool.



**Figure 18:** The impact of disadvantage on the development of South Australian children, from 2009–2021

The proportion of South Australian children who are developmentally vulnerable on one or more domains of the Australian Early Development Census, by Socio Economic Index for Areas (SEIFA) quintile, 2009–2021

Source: Australian Early Development Census 2021

In this context, the Commission recommends that the State Government refine and build its data infrastructure and analysis to identify the children at greatest risk of developmental vulnerability.

The Interim Report explored at some length the BetterStart risk prediction model which used 23 routinely recorded administrative data points to identify children at highest risk of being developmentally vulnerable. It canvassed the different ways in which a risk prediction model like this might be used to ensure the children at highest risk of developmental vulnerability are provided with additional support.

The Commission’s recommendations in Part One will lead to a steep change in our understanding of early child development in South Australia through building an integrated early child development data system.

This new capability needs to be part of the design of the roll out of additional hours, with the methodology for targeting children for additional hours refining and improving over time.

Identification of eligible children may involve using child and family characteristics and specific referral pathways identified through de-identified linked datasets, the careful use of identified linked data, or a mix of different approaches.

Similarly, the Interim Report identified for the State Government an early and exciting partnership opportunity to work with leading international academics, BetterStart at the University of Adelaide and Goodstart to trial designs for optimising engagement of underserved and highly vulnerable children, noting these trials could commence from 2024.<sup>184</sup>

Successful outreach for enrolment and attendance of children identified will be important and should be trialled and monitored in a way that builds the evidence base.

The Commission also notes that, as identified in Part One, there is a need and opportunity to build a better understanding of what service configurations works best, and for whom, to drive improved outcomes.

During its hearings, the Commission heard evidence about a range of intensive interventions that could leverage early childhood education and care services.

As expressed by the Bryan Foundation, the early childhood education and care system ‘could and should be capable of more intensive and specialist supports for children with more complex needs.’<sup>185</sup>

The Interim Report has already canvassed the evidence provided by Associate Professor Brigid Jordan about an intensive early childhood education and care trial in Melbourne focused on very highly disadvantaged families, which showed improvements in IQ, language, and the social and emotional development of participating children.<sup>186</sup> A number of submissions commended this program to the Commission for further consideration.<sup>187</sup>

As the State Government builds the 30 hour a week model for the first cohort of 1000 children, it should work with the Commonwealth and other partners, such as philanthropic bodies and research institutions, to trial and deliver intensive therapeutic supports for at-risk children in early childhood education and care, including any further trialling of this Melbourne model as outlined by Associate Professor Jordan.

## Reducing transport as a barrier in government preschools

The Commission has heard that lack of transport presents a significant barrier to some families.

While the Commission has recommended funding to improve outreach and reduce cost barriers, including by providing transport, the Commission notes that the State Government has other policy levers at its disposal.

Specifically, the Commission has heard evidence that where a local government preschool is at capacity, families may be redirected to a nearby preschool that they are unable to access due to lack of affordable transport options.

The Commission recommends the Department for Education should reconsider their policy approach to redirecting enrolments in areas of socio-economic disadvantage.

Use of Child Care Subsidy data, discussed in Part One, will help to understand where children are not enrolling or attending, and the State Government should conduct an annual reconciliation across available datasets to determine under-served communities and focus local engagement efforts.

## The intersection of early childhood education and care and child protection

The Interim Report has already canvassed the role that child protection notifications can play as an early warning indicator. Dr Rhiannon Pilkington provided evidence to the Commission that while many notifications are unsubstantiated and do not require a child protection response, they do provide government with important information about likely developmental vulnerability.<sup>188</sup>

One of the persistent themes in Commission deliberations has been the positive role early childhood education and care can play in the lives of children in contact with the child protection system.

As noted by Ms Shona Reid, the Guardian for Children and Young People, 'Culturally safe and trauma-informed early childhood education and care (ECEC) services have a vital role to play in offering an alternative path for working through the needs of vulnerable children and families.'<sup>189</sup>

However, Ms Reid notes that a key barrier to accessing early childhood education and care for families in contact with child protection is the fear of mandatory reporting.<sup>190</sup>

The Commissioner for Aboriginal Children and Young People, April Lawrie, makes a similar point in her submission, noting that:

Where there is a lack of cultural safety and adequately resourced culturally safe service provision there can be an unnecessarily pre-emptive response to the signs of poverty. This response is based on judgements made where children and families are not allowed to be engaged in decision making about their lives and early intervention is not considered. It is here that the spectre of child protection intervention becomes real and decisions are made loaded with bias and misconceptions about the capacity of the family to care for the children.<sup>191</sup>

The Commission finds that there are significant opportunities to do more to connect families under pressure with early childhood education and care, providing children with safe places and families with time and space to build resilience.

The Commission notes that the State Government will need to engage in careful co-design to avoid persistent non-engagement by families fearful of child protection responses.

The Commission was impressed with the sophistication and care demonstrated by the Department for Human Services in its use of data in the Child and Family Support System. In Recommendation 16, the Commission refers to local implementation teams in the Office for the Early Years creating connections between different service providers.

The Commission can see opportunities to connect the grounded knowledge that will be built in the Office for the Early Years to implement three-year-old preschool with the work of the Child and Family Support System, establishing more formal referral pathways for children at risk to appropriate early childhood education and care services.

This would build on the informal work already occurring in parts of the system (for example, through the work of the Family Community and Engagement Workers employed by Goodstart, or as identified in the Le Fevre case study).



## Alternative early learning models in very underserved communities

As discussed in the Interim Report, the Commission is mindful that an extra year of preschool could have the unintended consequence of compounding inequality of outcomes for those children not accessing any preschool. Children who never attend will be missing out on two years of preschool. They could also be losing the opportunity for the additional hours of preschool allocated to children at greatest risk of developmental vulnerability.

As part of a suite of remedies for this issue, the recommendation made by the Commission in the Interim Report is repeated here: there is a need to co-design and rigorously trial a small number of alternative early learning models for three-year-olds in specific communities where there are very low rates of engagement in traditional preschool programs.

The recommendation has been amended to include explicit reference to the need to involve expert early childhood teachers and educators in the program design, and the need to ensure connection to the broader education system, including schools. In making these amendments, the Commission has benefited greatly from the thoughtful submission by Gowrie SA.

In its submission, Gowrie SA hit a cautionary note when discussing this recommendation.<sup>192</sup> The arguments made by Gowrie SA are grounded in significant experience of what works and what has been tried and failed.

Gowrie SA's argument commences by noting that 'alternative models that don't support transitions to government education systems in systematic and culturally safe ways risk failure'.

The submission then notes that rather than a community and a program feeling devalued by a 'lesser' qualified workforce, there is an opportunity to work with training and education providers to develop and ensure access to culturally relevant and accessible qualifications.

The opportunity to embed outreach, including expert allied health support, in 'traditional' early childhood education and care services is also noted, and is supported by this Commission.

While mindful of all the risks attendant to alternative programs that do not meet the traditional definition of preschool, the Commission also recognises that for some families a teacher-led model is not the highest need for the families or children, and supporting the family to improve home learning will be an intervention with a higher impact and longer duration.

The Gowrie SA submission notes that a number of relevant programs have been trialled over many years, for example:

Through the Looking Glass (TtLG), was delivered over a 15 year period with state then federal funding to support families with identified attachment difficulties with their young children, and listed as an evidence-based program through the Australian Institute for Family Studies (AIFS). The model was locally co-designed and included 2 days fully funded access to the onsite ECEC program, as well as access to a group program delivered by a social worker and qualified educator.<sup>193</sup>

The Commission recognises the impact of inconsistent funding streams on program longevity. In part, Recommendation 27 is designed to allow flexibility of program design to support an agreed outcome—improved engagement with and outcomes from early learning in highly disengaged communities—with a commitment to ongoing funding.

The Commission notes the importance of remaining alive to the issues raised in the Gowrie SA submission in implementing this recommendation. Consistent with the discussion in Part One, the Commission encourages the State Government to partner with, and learn from the wisdom of, the sector in the process of co-design with the community.

# Quality in preschool

## Findings

Ratings under the National Quality Standard are often used as a proxy for the quality of a preschool program, rather than the early childhood education and care service overall. In particular, the 'quality areas' QA1 (educational program and practice), QA5 (relationships with children) and QA7 (governance and leadership) are looked to for specific consideration of preschool quality.

Seventeen per cent of the 221 long day care services funded by the State Government to provide a preschool program are listed as Working Towards the National Quality Standard.

Two per cent of Department for Education preschools are listed as Working Towards the National Quality Standard.

This equates to 8 per cent of four-year-olds receiving their State Government-funded preschool program in a Working Towards setting, which needs to be improved.

Meeting or exceeding the National Quality is very important, but evidence heard by the Royal Commission suggests that it is an imperfect proxy of the quality of a preschool.

There are a range of views about how and whether to measure the impact of preschool on the learning and development of children. This means that great care must be taken to ensure outcomes measures support children in their learning and development and, through population-level data, enable policy and quality improvements.

The State Government should continue to work with the sector to articulate agreed markers of preschool program quality in different settings. These markers should be used, as appropriate, from the beginning of the roll out of three-year-old preschool.

The Interim Report made a series of a recommendations around quality in preschool across different settings. The Commission is pleased to confirm many of these, with some amendments as noted below in response to feedback received from stakeholders.

## Recommendation 29

### Preschool outcomes measurement

That the State Government seeks to actively shape the emerging national approach on preschool outcomes measurement, including, in accordance with the vision of South Australia being a leader in early childhood education research, volunteering to be involved in any trials or pilots.

The State Government should advocate that the measurement approach supports two objectives: understanding and gathering information on early childhood investments at a population level; and supporting teachers and services to ensure they can support a child's progress and monitor quality improvement of their practice.

The State Government should also require that the results of outcomes measurement are not published at a service level and should not be used in funding or regulatory decision making processes relating to individual services. Objective quality measures (such as the National Quality Standard) should be published and used for the purpose of community choice and for government decision-making.

The State Government should press for nationally agreed outcomes measurement being available in time to be embedded in the roll out of three-year-old preschool from 2026.

If intergovernmental processes do not acquit the above outcomes, South Australia should design and adopt its own preschool outcomes measures.

## Recommendation 30

### A focus on improving services that are ‘Working Towards’ the National Quality Standard

- a. That the Office for the Early Years introduces additional supports for services providing preschool programs that are Working Towards the National Quality Standard. This should include:
  - both government and non-government services
  - working with the Education Standards Board to ensure that action is taken for consistent non-achievement of the National Quality Standard by services providing preschool programs.
- b. That the Department for Education introduces additional supports for out of school hours care (OSHC) services on government sites, including third-party providers, who are Working Towards. This should include:
  - working with the Education Standards Board to ensure that action is taken for consistent non-achievement of the National Quality Standard by government OSHC services.

*Note that this recommendation has been updated to include working with both government and non-government preschool services which are Working Towards the National Quality Standard.*

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## Recommendation 31

### Implementing universal three and four-year-old preschool—the role of diploma qualified educators

That in the period prior to universal achievement of three-year-old preschool, while teacher workforce supply is being developed, the State Government trials different configurations of early learning programs delivered by diploma qualified educators (for example, with practice supervision, additional professional learning, different ratios, coaching), reviews the quality of practice and rigorously assesses the different outcomes.

Such trials should only be undertaken in services that have not been able to secure an early childhood teacher for delivery of the program.

*Note that this recommendation has been updated to include a proviso that the trial should only occur in services where there is no early childhood teacher available to deliver the three-year-old program.*

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## Recommendation 12

### Giving parent and carers information and supports for child development

- a. That the State Government continue, and expand, its support for Words Grow Minds, which provides simple and consistent messaging to parents of young children about how best to support their child's development in the first 1000 days, delivered through a variety of channels.
- b. That the State Government develop and engage in a communications campaign with families and communities on:
  - the importance of preschool
  - the new three-year-old preschool program
  - how to find a preschool program
  - how to understand and assess quality at your preschool.

This could start ahead of the roll out of three-year old preschool, with additional layers of content closer to 2026.

*This recommendation responds to the Interim Report Recommendation 21 seeking feedback in relation to a 'kindy tick' program.*

The Commission has heard evidence, and contemplated at length, the benefits of quality early childhood education and care, the markers and influencers of quality, and the elements that require investment in order to make three-year-old preschool an intervention that delivers lifelong benefits for South Australia's children.

The recommendations made to improve quality, unless specifically described, apply to both three and four-year-old preschool programs.

Underpinning the reforms discussed throughout this report is the vision for all South Australian children to receive the best start in life.

How will future generations judge the success of this aspiration?

Part One of this report discusses the building of a data-driven early child development system, which will learn and evolve. Noting there are numerous administrative datasets (some linked, some standalone) which already exist, new data to allow research to evaluate the impact of the reforms proposed by this inquiry will be vital.

## Measuring the outcomes

One measure of impact will be understanding the effect of two years of preschool on outcomes for children.

The Interim Report notes there is debate around the question of whether healthy child development and learning can or should be measured.<sup>194</sup>

The Commission has noted the care that must be taken to ensure measures support children and enable policy and quality improvements.

The Commission has made interim recommendations for South Australia to pursue a nationally consistent outcomes measure, while noting submissions that have told the Commission of a fear of ‘schoolification’ of preschool children or ‘speeding up’ learning for three-year-olds.<sup>195</sup>

In responding to the Interim Report, submissions have commented on the importance of building evidence, tempered with some concern about the challenges of measuring outcomes in very young children, but have been broadly supportive of the notion that measures not be published at a service level.<sup>196</sup>

The Commission highlighted the national agenda for outcomes measurement in the Interim Report, noting the Ministerial Expert Advisory Group and the advice it will provide to governments.

Given this work is continuing, the Commission has not made detailed recommendations about specific measures. It does, however, endorse the position made in the Interim Report that outcomes measurement should not be about pushing down a curriculum to young children.

This report also reiterates the view that one mechanism for ensuring the accuracy and utility of outcomes measurement in the early years is a focus on assessment of learning and development over time by considering a child’s progress along identified learning progressions with identified domains of capability.

Lastly, outcomes measurement must use an observational methodology, with a teacher using their skills and judgement to assess a child’s progress.

Given the national conversation around preschool outcomes measurements, the Commission recommends that South Australia take an active role in shaping the discussion and being proactive in participating in pilots or trials which may facilitate its development.

## Existing measures of quality

ACECQA’s submission talks about the value of the National Quality Framework as a unified national system that is driving continuous improvement in service quality. It also highlights that the objectives and guiding principles promote quality and equity, with National Quality Standard assessments being a fundamental part of the National Quality Framework, encompassing both structural and process quality.

ACECQA observes that sustained improvements in quality have been made across all areas of the National Quality Standard since its introduction in 2012. Further, ACECQA notes that the National Quality Standard supports families to make choices.<sup>197</sup>

## The guiding principles of the National Quality Framework under the National Law are:<sup>198</sup>

- That the rights and best interests of the child are paramount
- That children are successful, competent and capable learners
- That the principles of equity, inclusion and diversity underlie [the National Law]
- That Australia's Aboriginal and Torres Strait Islander cultures are valued
- That the role of parents and families is respected and supported
- That best practice is expected in the provision of education and care services.

Part One of this report discusses the regulatory challenges for the Education Standards Board in ensuring ratings and assessments are conducted regularly and that the assessment process is consistently applied across services.

While that work needs to happen, it does not remove the fact that services who hold a Working Towards National Quality Standard rating and receive government funding for preschool programs should be working to improve their rating to ensure that all children in preschool are receiving high-quality preschool.

The Interim Report recommended that the State Government work with the Education Standards Board to ensure improvement in funded non-government services rated Working Towards. The Commission has heard feedback on this recommendation and expanded its remit in this report to also include government preschools.

There should be high standards and expectations of quality attached to any funding of services, reflecting the importance of quality early learning for all children.

## Promoting information about quality to families

As a marker of quality, National Quality Standard ratings are a broad indicator to families of how their service is tracking. The Commission has recommended a mixed delivery of three year old preschool, noting that mixed delivery already occurs to some degree for four year olds. How do parents know where preschool is delivered, and if that preschool is of high quality?

The Early Learning and Care Council of Australia (ELACCA) has told the Commission about programs in other states such as the 'kindy tick' in Queensland and the 'kinder tick' in Victoria. This is viewed as an easy way to communicate to families and others that a government approved preschool program is operating in a non-government setting.

The Education Standards Board assert that a 'tick' program introduces another quality marker that sits outside the National Quality Framework, potentially creating duplication, complexity and administrative burden on providers. They go on to say that the indicators of quality noted to be important in the Interim Report are already captured under the National Quality Standard.

The Education Standards Board also told the Commission that service quality markers already exist under the National Quality Standard and ratings under the standard are not proxy markers but actual markers of quality in preschool programs.<sup>199</sup>

The opposite view was put to the Commission by Professor Siraj in her evidence, in particular that the National Quality Standard is an imperfect proxy for learning outcomes for children and not intended as a marker of preschool program quality (as distinct from early childhood education and care quality overall).<sup>200</sup> It is also noted that with the current long gaps between assessments, quality can change and ratings can be out of date.

This raises the question of defining quality. What would a 'tick' program tell parents about quality?

The Royal Commission asked Early Childhood Australia (ECA) to prepare a discussion paper on the range of views on markers of quality preschool. The paper *Expert perspectives on factors that support quality preschool delivery across settings* is available on the Commission's website and the Commission thanks ECA and all the contributing experts for their time and knowledge in putting this together.

ECA outline the factors that are considered important for supporting quality preschool programs: context (location and community), relationships (with children, families, communities and professional networks), teachers, curriculum, environment, groups, time, and attendance (consistency more so than dosage), conditions (for teachers and educators), funding model (including price) and the vision and values of a service in a community.

Not all of these will necessarily form part of a National Quality Standard rating assessment.

Long day care providers such as Gowrie SA and Goodstart have told the Commission, in their recent submissions, that there is value for them in a 'tick' program to communicate where a State Government accredited preschool program is operating. They note that many families don't understand the quality rating system, and a 'tick' would support a wider marketing campaign to tell families about preschool benefits and options.<sup>201</sup>

The value of a 'tick' program depends very much on the purpose and what it is trying to communicate. The Education Standards Board suggests that the 'tick' is an alternative marker of quality. Long day care providers suggest that the 'tick' is about showing preschool availability.

It can be surmised from the evidence that a National Quality Standard rating tells a story about the key elements of quality of a service, but not necessarily about all the elements of quality of preschool.

There is a need for clear information for the community to understand the distinct value of preschool, and the options for accessing preschool, including through an online searchable list of providers with funded three and four-year-old preschool programs.

It is not clear if a 'tick' program in South Australia would achieve this.

In fact, it could add to the confusion of many options and messaging already targeted at parents.

It is the view of the Commission that while better messaging is needed, a 'tick' program is not the best method for telling families the important information they need to know, such as:

- the importance of early child development and the value of quality interactions between parents and children
- the importance of preschool
- the new three-year-old preschool program
- how to find a preschool program
- how to understand and assess quality at your preschool.

To achieve this promotion and improved understanding of preschool and quality, the Commission is recommending additional and alternative information be provided to families in the run up to and as part of the 2026 commencement of three-year-old preschool.



## Factors that support quality

The Interim Report canvasses the role of evidence-based tools for preschools that will support quality programming, which is developmentally appropriate for three year olds.

Many stakeholders agree on the importance of valuing each age of childhood and the ‘here and now’ to ensure three-year-old preschool is a year of age-appropriate learning.<sup>202</sup> This will require pedagogical leaders, teachers and educators to be well equipped to support children from age three.

There is value in investing in the tools and workforce supports to ensure children benefit from high-quality and developmentally appropriate programming.

To achieve this, the Commission confirms interim recommendations to the State Government to:

- identify, evaluate and provide evidence-based tools for improving pedagogical approaches
- continue to develop curriculum material for use in three and four-year-old preschool, which builds on the Early Years Learning Framework
- funding to support access to professional learning content for early childhood educators and teachers on early child development, and make it available across both government and non-government settings.

## Innovations to support quality

In keeping with the aspiration for the early childhood system to learn and evolve, the Commission has found there are some areas that still lack evidence.

For example, there is little specific evidence about the value that 15 hours per week has provided over the 12 hours per week historically available in South Australia.<sup>203</sup>

This is one field where South Australia can lead by trialling and evaluating models.

While the Commission is recommending 600 hours per year of high-quality preschool at ages three and four, this is drawn from the broad available evidence and is a practical approach to the system and the services who will be welcoming three-year-olds into preschool programs.

From the child’s perspective, the Interim Report noted the highly valued work of Professor Carla Rinaldi, who is mindful of the impact of numerous transitions for young children when they move across services—something that 15 hours a week (in its various configurations) tends to require for many children in government preschools.

To evolve South Australia’s system, learning as we go, the Commission confirms the interim recommendation to build evidence on factors including the impact on attendance and outcomes of day length (short versus long days to achieve 15 hours per week—and is 15 hours the best use of government preschool hours at age three and four?); the impact of consecutive days on attendance and outcomes; the impact of consistent groupings on outcomes; the benefit of two years of preschool with a stable cohort; and the impact of transition between different settings in a child’s daily life.

In recommending this evidence building, the Commission stresses that the purpose is to facilitate quality improvement over time.

This report has discussed the challenge of workforce, the levers available to government and the opportunities to support growth in the numbers of appropriately qualified teachers and educators engaged across the sector.

Noting the significant challenge of workforce, the Interim Report discussed the opportunity to test and trial different models of early learning programs in places where dedicated preschool delivered by a teacher is not yet available.

This would not be a preschool program, but an alternative early learning model for preschool age children who do not have access to an early childhood teacher-led program.

The Interim Report notes the evidence of Associate Professor Cathrine Nielsen-Hewett about models of high-quality professional learning that have been shown to improve the quality of programs and child outcomes.

The Commission made an interim recommendation to trial different configurations of early learning programs delivered by diploma qualified educators while workforce supply is being developed. The potential benefit of this is two-fold: educators would benefit from additional professional development supervision and children would receive a higher quality early learning program. This would, of course, need evaluation and refinement.

Stakeholders who have responded to this specific interim recommendation have been cautious about this approach—with good reason.

Gowrie SA question whether this recommendation is at odds with the evidence heard by the Commission of the importance of qualified teachers in delivering quality early learning. They ask if government would ever trial something similar on school-age children? And if not, why would this be tested on our youngest citizens?<sup>204</sup>

Similarly, the Preschool Directors Association express they do not support the concept as it could undermine the professional standards and quality of the qualified and experienced preschool workforce, devaluing the work, and risks ‘experimenting on our children’.<sup>205</sup>

South Australia’s Child Development Council suggested some support, subject to it being informed by early childhood teachers. The Council noted that there is strong evidence as to the importance of teacher leadership, and any measurement of such trials should include child outcomes and workforce outcomes, along with centre culture and governance.<sup>206</sup>

The Independent Education Union do not support the concept, noting that teachers are vital to quality early learning programs and must have a central role in curriculum development and delivery.<sup>207</sup>

In oral evidence to the Commission, Helen Gibbons, of the Australian Education Union, noted the recommendation and cautioned the need for professional learning to be extended to diploma staff given their roles already in services where teachers are lacking.<sup>208</sup>

The Commission thanks those who thought carefully and responded on this concept.

It is not a recommendation that is made without careful deliberation of the risks and benefits. It is, however, made in the context of children already participating in services without a qualified teacher, with a view to measuring if certain approaches improve outcomes and quality of those programs that are led by educators (not teachers).

In recognition of these concerns, the Commission has altered its recommendation since the Interim Report to be more explicit: the trial should only occur in services where there is no early childhood teacher available to deliver the program.

The Commission notes this also appears to be the envisaged approach of the ACT in their recently announced three-year-old preschool program in long day care settings, where funding may go to a range of improvements if an early childhood teacher is not available.

Further, the Commission expects such trials would be targeted and driven by real-time evidence as to its impacts and value.

The Commission notes, however, the advice of Gowrie SA that ‘the risk becomes what we do as a temporary measure becomes the norm over time’.<sup>209</sup> The Commission emphasises that the approach it is recommending is time limited to the period prior to universal achievement of three-year-old preschool and should not become an excuse to shirk developing a sufficient workforce supply of early childhood teachers. The Office for the Early Years and the Early Childhood Workforce Coordinator General should specifically acknowledge this and take it into account in their work.

# Aboriginal three-year-old preschool

## Findings

Culturally safe preschool from the age of three can support Aboriginal children to engage in learning and support wellbeing.

Barriers to preschool include racism, poverty, transport and trauma.

Where there is a lack of cultural safety in services, or other barriers, families may disengage, and there is a real and strong mistrust of interventions.

Current rates of enrolment in three-year-old preschool are high—around 67 per cent. However, there is a lack of data on actual attendance of preschool by Aboriginal children and there is anecdotal evidence that attendance is low.

Around 67 per cent of Aboriginal children in South Australia are enrolled in government preschool at the age of three.<sup>210</sup> The Commission has heard evidence of how preschool can be a warm and welcoming place for families of three-year-old Aboriginal children, helping to build community strength and be places where children can be surrounded by culture, language and the wisdom of elders.<sup>211</sup>

The Commissioner for Aboriginal Children and Young People, April Lawrie, has told the Commission her views on culturally safe preschool:

... it should see the child as an Aboriginal child, with a culture and a heritage and identity and with family and community ... wrapped around it, and a child belonging to country.<sup>212</sup>

## Recommendation 32

### Aboriginal three-year-old preschool

That the State Government listens to the Aboriginal community, including through South Australia's First Nations Voice to Parliament, the South Australian Aboriginal Education and Training Consultative Council, the South Australian Aboriginal Community Controlled Organisation Network and other relevant bodies, about how to ensure that Aboriginal children retain and increase the benefits from three-year-old preschool.

The State Government should ensure that any codesign of preschool for three-year-old Aboriginal children is based on an ongoing guaranteed funding commitment equivalent to that which supports preschool entry for Aboriginal three-year-old children (currently around \$10.8 million per annum).

This commitment would be over and above other State Government funding arrangements for three-year-old preschool and any community-specific early learning models that are established.

In oral evidence, Commissioner Lawrie described cultural safety in terms of the way a service system is experienced by Aboriginal children and their families, and the feeling of safety in knowing they can access a service without experiencing discrimination.<sup>213</sup>

The Commission heard from Tina Quitadamo, a Kirrae Whurrung/Gunditjmara woman from the Eastern Maar Nations of the Western districts of Victoria, who works as an Advisor, Aboriginal Early Years, in the South Australian Department for Education:

... bringing our young children up in their culture is the key to making sure they feel safe, feel loved, proud in their identity and are able to fulfill their potential.<sup>214</sup>

Many stakeholders have also talked about the importance of recasting deficit-based language, and the important role of Aboriginal Community Controlled Organisations in providing culturally safe services.<sup>215</sup>

Without focusing on deficits, the Commission acknowledges that racism and systemic barriers still exist, along with poverty, intergenerational trauma and entrenched disadvantage.<sup>216</sup> Commissioner Lawrie has spoken of the differences between enrolments and attendance and the reluctance of families to engage with services, borne from barriers including lack of transport, poverty and a genuine fear of the statutory child protection system.<sup>217</sup>

This was echoed in the Guardian for Children and Young People's submission to the Commission, who also noted the fear of mandatory reporting.<sup>218</sup> Part One of this report has discussed the need to do more to connect families with early childhood education and care, providing children with safe places, and families with time and space to build resilience.

The Commission has recommended co-designed, commissioned places for targeted cohorts. Where these places support Aboriginal children, Aboriginal communities should lead in designing those services and the Commission expects that Aboriginal Community Controlled Organisations will be an appropriate lead in service delivery.

Co-design of these services should include determining entitlements about additional hours of preschool for children who need it, establishing Aboriginal governance and leadership, and harnessing the strengths of an Aboriginal workforce which reflects the importance and wisdom of elders. Programs should be designed and delivered in a culturally safe environment, embedding learning, culture and community in young lives.

Part One of this report has recommended that the State Government adopt a single framework for progressing and reporting on an agenda of improving access and outcomes for Aboriginal children engaging in early childhood education and care, suggesting Closing the Gap as the appropriate framework for this.

On the specific question of Aboriginal three-year-old preschool, currently 12 hours a week, the Interim Report discussed the risk that the expansion of the entitlement to preschool for all three-year-old children in South Australia may exacerbate unequal outcomes for Aboriginal children.

It is the Commission's view that any reconceptualising of a program for Aboriginal three year old children should be equivalent to the current commitment for early entry for Aboriginal children (currently around \$10.8 million per year). This is in addition to any commissioned places for targeted communities described above.

The Commission made an interim recommendation to consult with South Australia's First Nations Voice to Parliament on how to ensure Aboriginal children retain and increase the benefits for three-year-old preschool, including through both the universal entitlement and potential additional entitlements.

While we have not received extensive feedback on this specific aspect, the Commission has received general strong support for the idea that early childhood education and care programs for Aboriginal communities should be Aboriginal-led, subject to extensive consultation with Aboriginal voices, including the First Nations Voice to Parliament and other appropriate bodies, and designed in partnership with communities.

## Staging of roll out

### Findings

The roll out of three-year-old preschool should occur progressively from 2026, with the first phase of roll out completed by 2029. The final date for universal offering should be 2032.

Detailed sequencing should consider the opportunity to trial things in advance of full roll out and learn and refine over time.

The State Government should closely monitor the availability of workforce and adjust staging as required.

The Interim Report mapped out a proposed staging of implementation of the preschool reforms recommended by the Royal Commission.

The Terms of Reference provide for delivery of three-year-old preschool from 2026, without requiring full delivery in that year.

The Commission has already noted the many challenges for this reform, most notably the need for pace without sacrificing quality and equity, and the need to significantly increase workforce across the sector.

The State Government should be forecasting recurrent budgets from 2026, and also a rolling capital budget to ensure supply on top of those investments described in this report.

The Commission does not make recommendations about investment lightly.

The return-on-investment analysis discussed earlier was commissioned specifically to help the State Government to plan for and prioritise investment in these reforms over coming years.

The Interim Report noted the opportunity to frame investment as one that will deliver longterm outcomes for South Australia, build wellbeing, and support early interventions to change trajectories. The Commission commends this approach to the State Government.

## 2024

Establish governance mechanisms to ensure cross-sector planning and engagement in the roll out.

Begin the local service commissioning process for 1000 places in areas of high developmental vulnerability, with a view to programs in these locations commencing from 2026.

Ensure work on preschool outcomes measurement, curriculum resources for children aged three to five and early child development professional learning are in train, ready for implementation from 2026.

Design and commence trials to inform the roll-out design, including the following:

- trial different configurations of early learning programs delivered by diploma qualified educators (for example, with practice supervision, additional professional learning, different ratios and coaching), review the quality of practice, and rigorously assess the different outcomes
- trial different models of allied health provision
- design ways to support enrolment of under-served families in long day care.

## 2026

The first commissioned services in areas of high developmental vulnerability open.

Long day care and non-government preschool services can opt in to deliver three-year-old preschool when they are able to meet the quality requirements.

Government preschools begin to offer three-year-old programs on a progressive basis.

## 2026–2028

Complete service commissioning in areas of high developmental vulnerability, with final services to open in 2029.

Complete opening of three-year-old programs in government preschools, with final intakes to commence in 2029.

Encourage increased access to three-year-old programs in other areas through market-led, lowest cost interventions.

## 2029

Review gaps in supply and make major capital investments to meet shortfalls, if required, to ensure full delivery by 2032.



## PART THREE—OUT OF SCHOOL HOURS CARE

The Royal Commission has been tasked with inquiring into ‘how all families can have access to out of school hours care [OSHC] at both preschool and primary school ages, including consideration of accessibility in all parts of the state, affordability and quality in public and private settings.’<sup>219</sup>

The Royal Commission’s Terms of Reference note that school hours are challenging for working families, and that OSHC is not universally available, accessible or convenient.

Across South Australia, in any given week, around 29,000 children aged five to twelve will access OSHC, representing 21,400 families.<sup>220</sup> This means a bit over 1 in every 6 primary school children goes to OSHC in a given week.<sup>221</sup>

One of the strengths of OSHC is its flexibility, with families able to book in for one day here and there. As a result, over a school term (including holidays) around 45,000 South Australian children will use OSHC, which is 27 per cent of children aged five to twelve.<sup>222</sup>

There are 245 government schools with an OSHC service located on site (58 per cent of government schools with primary school age children enrolled) and 137 non-government schools also with an OSHC service.<sup>223</sup>

For the purposes of this report, the term OSHC is used to refer to all times when the service may be provided to children, including vacation care.

In South Australia, OSHC is regulated under the *Education and Early Childhood Services (Registration and Standards) Act 2011* and is supported by the national framework ‘My Time, Our Place’, which extends the principles, practices and outcomes of the Early Years Learning Framework to children aged over five years.<sup>224</sup> The framework articulates the opportunity that OSHC provides for meaningful play and leisure, contributing to the wellbeing, learning and development of children.

In the Royal Commission’s community survey, many families indicated that OSHC is critical to enabling them to continue to engage in the workforce at the hours they need or want to be working.<sup>225</sup>



## Changing the narrative

The provision of OSHC is critical to the modernisation of the school day to meet the needs of South Australian families.

The Commission has heard that lack of OSHC has a direct impact on the ability of parents to work.<sup>226</sup>

There are economic imperatives for improving access to OSHC: in a time of significant workforce shortage in the wider economy, unlocking additional hours for parents to work is critically important. This is doubly so in areas of critical workforce shortage, such as regional and rural areas.

There is also a gender dimension to this workforce participation issue. Given women currently tend to provide more hours of care for children in families, lack of OSHC has a disproportionate impact on their labour force participation.

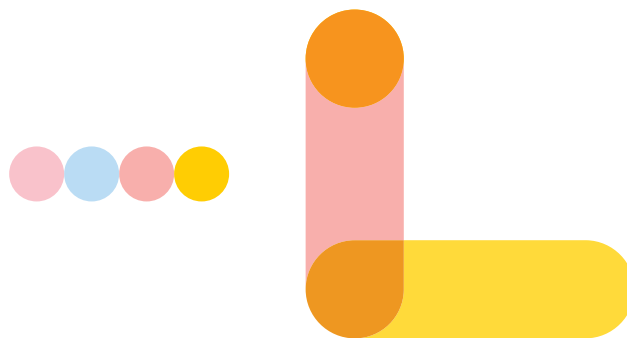
It is the view of the Commission that the State Government must consider OSHC as part of the core business of schools, essential to school communities.

OSHC supports families to balance work/study/life commitments and, in the words of the Department for Education, offers ‘a supportive environment for the development of social and life skills that complements the programs offered at school and preschool.’<sup>227</sup>

The experiences and voices of children participating in OSHC must be central to the programming and delivery of quality services.

The Commissioner for Children and Young People has relayed the voices of children about OSHC, telling us what they enjoy and what they dislike. The roles of people, place, food and friends come through strongly.<sup>228</sup>

The Commission has heard that OSHC can also support children and families experiencing such things as poverty or domestic violence. Ms Angela Falkenberg, President of the SA Primary Principals’ Association, noted that where OSHC is performing this role, the viability of the program should be considered in terms of the positive impact of the service on those families who need it.<sup>229</sup>



## State Government roles and responsibilities with respect to OSHC

The State Government has at least three distinct sets of roles and responsibilities with respect to OSHC.

The first is as a regulator.

All OSHC services must be approved to operate under the requirements of the Commonwealth Government's National Quality Framework for Early Childhood Education and Care.

In South Australia, the Education Standards Board is the independent regulatory authority responsible for the regulation and quality assurance of early childhood education and care services. This includes OSHC services.

The Education Standards Board (ESB) is established by the Education and Early Childhood Services (Regulations and Standards) Act 2011 and comprises a representative board and independent chair. The relationship between the Minister for Education, Training and Skills and the ESB is clearly established in the Act.

The second is as a policymaker. Currently, the Office for the Early Years within the Department for Education provides policy advice about OSHC to the Minister for Education, Training and Skills.

The third is as provider of Department for Education schools to almost two thirds of South Australian primary school children.

The following discussion includes a mix of recommendations and findings about legislative and regulatory settings, which impact OSHC provided in all school settings, and recommendations to the State Government, including specifically to the Department for Education to improve OSHC access on government school sites.

For clarity, throughout this section, wherever the Commission is referring to the State Government's role of providing OSHC on government school sites, we will refer to this as 'government school OSHC'. All other references to OSHC should be understood to refer to the whole sector.

## Commonwealth roles and responsibilities with respect to OSHC

The Commonwealth's role with respect to OSHC currently mirrors its role with respect to early childhood education and care more broadly, notably as the predominant funder via Child Care Subsidy.

In addition, the Commonwealth's Community Child Care Fund (CCCF) provides a range of grants for child care services, particularly to help services address barriers to child care participation. They are particularly targeted at disadvantaged, regional and remote communities.

Special circumstances grant—this grant helps services stay open when something unexpected happens. Services can apply when a local emergency or natural disaster threatens their ability to stay open.

Disadvantaged and vulnerable communities' grant—this grant provides funding to services in disadvantaged and vulnerable communities to stay open and increase the number of children in care.

Limited supply grant—this grant helps Child Care Subsidy approved providers wanting to set up new early childhood education and care services. Grants are for establishing new centre-based day care services and family day care premises in areas experiencing disadvantage in regional and remote Australia and where there are no or limited similar services.

Currently, 22 OSHC services in South Australia receive these grants to support their operation.

# Access to out of school hours care in primary school

## Findings

The State Government should reinforce the value of high-quality OSHC as integral to the education system through leading a change in narrative.

The provision of OSHC is part of the core business of schools with primary-aged children, essential to the school community, not only to support families to balance work, study and life commitments but also to support children's development and learning and help address aspects of vulnerability and risk.

There is an economic imperative for improving access to OSHC and unlocking additional workforce capacity at a time of significant workforce constraint, in particular in terms of female workforce participation.

Access to, and demand for, OSHC varies across schools and communities.

While families place high value on the ability to access out of school hours care, services feel undervalued—an adjunct to a school not a core component of the school community.

Regional and remote communities suffer from a greater lack of access to OSHC than metropolitan Adelaide. Smaller schools mean there is less opportunity for financially viable services, and long distances for children to travel from neighbouring schools create additional barriers to service establishment.

Structural barriers to establishing new government school OSHC services include start-up costs, financial viability, business acumen in governing councils, school leader workload and capacity to support, and procurement processes for third-party providers.

Facilities are important. Many OSHC services are located in inadequate spaces in schools, often sharing space in a way that de-prioritises the needs of OSHC, or without access to facilities to support quality services and engagement with children of a range of ages.

It is not uncommon for OSHC services to be required to completely set up and then clear the space twice a day (before and after school) to enable it to be used for other purposes during the school day.

People working in OSHC services are known as educators. The educator-to-child ratio for children over preschool age is 1:15. Currently, the first of every two educators required to meet the educator-to-child ratio must hold an approved qualification at a diploma level.

There are inherent challenges in building a consistent and stable workforce in OSHC. These include the non-traditional hours (with split shifts) and then extra work demand during school holidays, limited and fluctuating rostered shifts, low pay, the strong reliance on trainee teachers to fill qualified positions, and the consistent flow of other OSHC staff into school-based roles as support officers.

The work of OSHC educators is emotionally demanding. The increasing complexity of student behaviour and needs being experienced in schools is also experienced in OSHC, where it is managed with far fewer supports and resources. There is a need for greater support and professional development for the OSHC educator workforce to manage this complexity.

The qualification requirements for OSHC educators differ across the nation, with South Australia having the highest in the nation. However, the workforce in OSHC experience low wages and a lack of professional development.

South Australian requirements limit the ability to recruit workforce and contribute to workforce challenges and educator burnout.

## Recommendation 9

### State Government proactive role in identifying and resolving questions of child care and OSHC accessibility

That the State Government plays a proactive role in identifying and resolving questions of child care and out of school hours care (OSHC) accessibility, including:

- a. negotiating with the Commonwealth to reach the new national settlement described in Recommendation 3
- b. as detailed in Recommendation 10 in relation to child care:
  - taking action itself in order to meet critical needs, with such changes viewed as models which can provide an evidence base for the intergovernmental negotiations
  - once a new national settlement has been reached which encompasses the Commonwealth meeting access and affordability needs, continuing to provide the needs identification and supply support roles.
- c. as detailed in Recommendation 33 taking ongoing action relation to OSHC accessibility.

## Recommendation 33

### Improving access to government school OSHC

That the State Government, through the Department for Education, should take the following steps to improve access to OSHC on government school sites:

- a. developing a repeatable process for undertaking supply and demand analysis for government OSHC services, including regular (at least every two years) publication of areas of unmet demand for government OSHC (this could be modelled on the process used by the New South Wales Government)
- b. ensuring all supply and demand analysis targets testing of demand from families of children with disability (for example, by surveying families of students in special settings)
- c. immediately putting out to tender the provision of OSHC on any site with a level of unmet demand and that is considered financially viable
- d. auditing existing OSHC services within an area of unmet demand to understand constraints on expansion and, if space is a key constraint, prioritising funding within the capital program (per Recommendation 34)
- e. simplifying and streamlining the Department for Education procurement process to make it faster to establish government school OSHC services
- f. updating Department for Education policy to provide guidance around limited circumstances where schools can provide financial support to OSHC services (for example, to support the wellbeing and participation of vulnerable cohorts), noting that in general it remains inappropriate to expend funds provided for education on OSHC
- g. providing administrative support to establish financially viable alternative models of OSHC provision in areas of unmet demand where financial viability of traditional services is more challenging. This includes 'hub and spoke' and shared transport arrangements (where appropriate, this should incorporate non-government school services to participate on a shared cost basis)
- h. where significant demand remains after consideration of alternative models, providing financial grants to support establishment of a government school OSHC service, or to enable expansion of an OSHC service to a point of viability. Clear funding guidelines would be required to facilitate this
- i. consistent with the approach in Recommendation 10, providing OSHC directly in some circumstances, and also ensuring there is a clearly articulated transparent policy for when the State Government will provide services.

## Recommendation 34

### **Making space for government school OSHC**

That the Department for Education's capital works program includes establishing and expanding appropriate facilities for government school OSHC services in areas of identified demand. Regional and remote communities should be a priority for growth initiatives.

Ensuring fit-for-purpose OSHC facilities should be integral to the design of new schools, as well as major school redevelopments.

## Recommendation 35

### **Modernising OSHC qualification requirements**

- a. That, consistent with other jurisdictions, the State Government introduces a two-tier qualification requirement for OSHC, with the first qualified position to be filled by an educator with an approved qualification, and subsequent educators that are required to meet the qualified educator ratios able to hold a certificate III or IV, or higher, in education, care or disability.
- b. That the State Government continues to expand and improve the flexibility of the qualifications list for the first qualified OSHC educator position. In the first instance, this expansion should include holders of a Certificate IV in Out of School Hours Care with appropriate knowledge, history (such as practical experience) and understanding to effectively supervise and manage a service.

## Recommendation 36

### **Supporting principals to deliver sustainable government school OSHC**

The Department for Education should recognise the additional workload and accountability for school leaders associated with having a government school OSHC service, through:

- a. ensuring the additional responsibility is adequately reflected in the school principal role statement and is considered when determining principal classification levels
- b. the provision of dedicated leadership and administrative support time to each school with an onsite OSHC service
- c. specific induction and training for school leaders to undertake their roles and responsibilities, including the need to:
  - respectfully share spaces and incorporate the spatial needs of OSHC in school planning
  - improve the integration and support of the OSHC workforce in the broader school workforce as far as practicable, including by incorporating OSHC staff in relevant professional development and potentially rostering school services officers (SSOs) to assist the transition to OSHC or to facilitate their separate employment at OSHC should they choose to also work in that setting.

## Recommendation 13

### Leveraging early childhood education and care in the first 1000 days to reduce developmental vulnerability

That the State Government leverage early childhood education and care provision to meet its long-term aspiration of reducing developmental vulnerability.

Noting this is an area of shared responsibility with the Commonwealth, and that the roles and responsibilities may change, this should include:

- a. designing 'the glue', as envisaged in Recommendation 8, to promote opportunities for sharing and learning about evidence-based approaches to successful inclusion, and to enable developmental concerns identified in long day care, family day care or other services to be the subject of 'warm referrals' to the right service provider
- b. in operationalising Recommendation 11, ensuring there are linkages and exchanges between the Child and Family Health Service (CaFHS), other development check providers, and early childhood education and care services to share knowledge about emerging developmental trends
- c. closing the research translation gap by sponsoring on-demand, cost-free access to expertise on areas of particular interest, such as neurodevelopment, autism, attachment, trauma, complex behaviours or complex communication difficulties
- d. providing free training for early childhood education and care services on the newly released National Guideline for supporting the learning, participation and wellbeing of autistic children and their families<sup>230</sup>
- e. initiating formal processes to monitor participation and attendance of vulnerable cohorts once the measures discussed above to streamline 'the paperwork' burden on staff and services are addressed
- f. when the State Government is in a position to assess the outcomes of the Inclusion Support Program (ISP) review, considering additional investments in building the capability of services to successfully include children with additional needs, including those with disability, neurodiversity or impacted by trauma
- g. sharing relevant knowledge, best practice and training materials on inclusion with out of school hours care (OSHC) providers and staff who are also facing the challenge of offering services which can be open and welcoming to all
- h. facilitating community liaison programs for ongoing connection between early childhood education and care services and locally relevant cultural and linguistic groups, noting this could be an appropriate use of inclusion funding by services.

## Supply and demand

OSHC shares its broader policy context with other forms of early childhood education and care.

The Commission is mindful of the fact that affordability of early childhood and care, including OSHC, is an area of Commonwealth responsibility.

The Commission's view is that the State Government should take a proactive role in resolving issues of shortages but, in doing so, be cognisant that it does not distort the market for provision in a way which undermines its functioning.

In the following discussion, and in considering its recommendations, the Commission has been mindful of the need to balance these different considerations, as well as for the Commonwealth to also play a role in accessibility.

The South Australian Department for Education advises it is difficult to quantify unmet demand for OSHC. The Department is aware of anecdotal evidence of demand for services and holds some limited data about community requests for new OSHC services, particularly in rural areas and small schools. However, there is no state-wide picture to guide intervention.

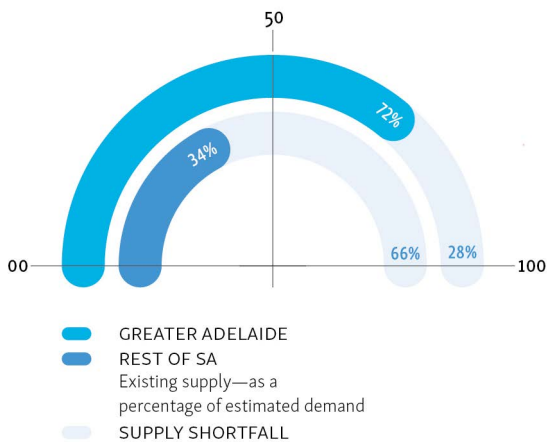
## New South Wales— case study of OSHC expansion

New South Wales has recently undertaken a significant program of work to expand OSHC access.

In order to gauge demand for services, the NSW Department of Education undertook a survey of parent demand. Sites without an OSHC service that indicated a demand of 30 or more places immediately went to tender for a new OSHC service. Officials advise this was a fast and effective way of increasing access to OSHC places.

Another effective aspect of their strategy was to identify services in areas of high demand that were limited from expansion because of physical space requirements (indoors and outdoors). The NSW Department of Education then provided financial support to expand a service's footprint, or assisted services to apply for waivers from the regulator to allow more children onto the existing footprint.

Finally, New South Wales pointed to the importance of making procurement of third-party providers easier for schools. The Commission has heard that, in South Australia, there remain opportunities to simplify and improve the Department for Education's procurement process.



**Figure 19:** Indicative supply of OSHC places in South Australia as a proportion of estimated demand

Source: Internal Royal Commission analysis based on data from Commonwealth Department of Education and Australian Bureau of Statistics.

In the absence of a reliable collection of data on unmet demand, the Commission has undertaken modelling of the supply and demand of OSHC in schools based on the data available to it (including Child Care Subsidy data).

The modelling utilises the numbers of children under the age of 15 with all parents working full time as a proxy for OSHC demand.

The modelling suggests that across the state, OSHC meets around 70 per cent of demand, with variations across local government areas ranging from 21 per cent on the Eyre Peninsula and South West to up to 93 per cent in the Adelaide Hills.

As expected, the modelling suggests there is greater supply in metropolitan Adelaide than in regional and remote South Australia.

The modelling reflects the evidence heard by the Commission about the unique and amplified challenges for schools in regional and remote areas of South Australia, where OSHC is hard to provide for reasons including small schools (and distances between schools), lack of financial viability (tied to size and enrolments), lack of physical infrastructure for OSHC and workforce challenges.<sup>231</sup>

In order to better understand the barriers to OSHC provision, a sector survey was distributed to all OSHC providers, governing councils of government schools that provide OSHC and other stakeholders.

A total of 90 responses were provided, and the Commission thanks all those who took the time to contribute in this way. A summary of the survey is provided on the Commission's website.

Noting that these responses reflect the views of those who currently provide services, the survey identified the biggest barriers to expanding OSHC in South Australia as:

- access to a suitably qualified and skilled workforce
- administrative workload of OSHC directors, principals and governing councils that is associated with the current regulatory arrangements impacting on both the operations and expansion of their OSHC service
- inability to identify appropriate physical infrastructure, including indoor and outdoor space
- financial viability
- the governance model of school council-operated services and lack of school support for governing council-managed models
- start-up costs.

These responses are consistent with the discussions by stakeholder roundtable members.<sup>232</sup>



## Service financial viability in government school OSHC

Small schools and rural schools have significantly lower numbers of families enrolled and requiring before or after school care. Services for those schools may not be financially viable, which is a key policy requirement for government schools seeking to establish an OSHC.<sup>233</sup>

The Commission is of the view that there is a role for the State Government to play, particularly in regional and remote communities, to facilitate OSHC service provision, working creatively with communities to find solutions.

While the following discussion relates to the Department for Education's role as provider of government schools, the Commission notes that in some regional and rural areas, OSHC arrangements are shared between government and non-government schools.

The Commission's intention is that the creative solutions outlined below could incorporate non-government schools as appropriate, noting that costs incurred should be shared.

The Commission has heard that the YMCA, one of the larger OSHC providers in South Australia, use a rule of thumb for service viability of around 10 per cent of the school population.<sup>234</sup>

.....

'We look at around having eight to 10 children every morning, if you can get 15 to 20 in the afternoons and then 25 to 30 vacation care, they're very rough numbers, but you know, that's where we start to look at things. But it's also ... what size that school is. If there's a school of 600 children, the ability to create a community and create a viable OSHC is obviously going to be better than if you've got a school of 60. You know, 10% of 60, 10% of 600 are very different numbers.'

Source: Komala Champion, YMCA

The Commission notes that in 2022, 46 per cent of government primary schools in South Australia had under 200 enrolments.<sup>235</sup>

Using the rule of thumb of 10 per cent, you could estimate that almost half of all government primary schools may not have sufficient enrolments to support a traditional OSHC service.

## The requirement for financial viability of government school OSHC services

Under current Department for Education policy settings for government school OSHC, services must demonstrate financial viability and not rely on supplementary funding from the school.

Schools are not able to subsidise the operation of the OSHC service, irrespective of whether it is operated by the governing council or a third-party provider.

Generally, third-party providers will tender only for viable services. Providers have expressed interest in providing services in schools with unviable utilisation if the school was prepared to subsidise the cost of delivering the service or offset losses.

The Commission notes that this is a complex area of policy.

The provision of subsidies to providers by schools (as distinct from the Department for Education) could see funding allocated for education purposes redirected to support OSHC. This would usually be inappropriate.

However, the Commission notes there may be circumstances where support for OSHC services forms part of a school-wide strategy of support for the attendance and wellbeing of vulnerable cohorts. Ms Angela Falkenberg, for example, spoke of her experience of OSHC providing a safe harbour for highly vulnerable children.

Further, an overly prescriptive application of the policy could stifle the willingness of governing councils to tender for services, or provide services themselves, where there is modest financial risk (in particular, during the establishment phase).

In oral evidence, Ms Champion of the YMCA noted a situation where a metropolitan school does not currently have enough children to have a viable onsite OSHC service, and so instead is subsidising the cost of transporting children by bus to a nearby OSHC.

In these circumstances, it might be better for the school to use the funding for the bus to offset the cost of a third-party provider operating an OSHC on site. This would lead to a better daily experience for children and reduce risks associated with transporting children.

The Commission recommends that the Department for Education review the policy to ensure that limited exceptions are identified. These would be exceptions to support wellbeing and participation of vulnerable cohorts and also increased risk tolerance to establish a service that is expected to be financially viable after the start-up phase.

## Administrative support for establishing alternative models of government school OSHC service

The Commission has heard from one regional principal responsible for an OSHC service running across two sites. This principal identified the challenges of the outreach model and called for greater support from the Department for Education in relation to financial management, understanding operational requirements, and funding for buses to transport children to a single site rather than running in two locations. The principal also identified the lack of support with set-up costs as a barrier to the expansion of the service.

Increasing government school OSHC will require partnering with schools and providers to find relevant and creative solutions. The Commission has heard a range of different options canvassed and is of the view that the Department for Education should take a proactive and flexible approach in providing administrative support to these new solutions (see breakout box).

## Alternative service models for OSHC

Regional, remote and small school communities have no less need for OSHC services for their children. However, to deliver these services, communities will often access alternative services which might bring together a range of early childhood education and care functions. Or they might join up with neighbouring communities to create services that can operate at scale.

These might include:

**Long day care**—some long day care providers will take preschool-aged children after sessional preschool, providing OSHC-type services. This tends to depend on service capacity and proximity to the local preschool (where staff from either service may walk children between services) and does not support older (upper primary) children who require OSHC.

**Hub and spoke** (also known as ‘outreach’)—some communities will have an OSHC service located in one site that is accessed by surrounding schools/communities. For example, YMCA operate an OSHC service at Reidy Park Primary School in Mount Gambier that is accessed by up to 12 schools in the region. Transporting children safely is a challenge for these models.

**Family day care**—where available, family day care is a viable option for families seeking OSHC in some communities.

**Rural care**—The Department for Education funds and operates 17 rural care services in communities where non-government providers do not operate due to financial viability. The program allows communities to access space in a government preschool to deliver long day care and OSHC to children from birth to 12 years. Consistent with the approach in Recommendation 10, the Commission recommends that the Department for Education develop transparent guidelines about when it will establish such services.

## Time-limited financial grants to support establishment of OSHC services

In considering its recommendations, the Commission has considered the responsibilities of the Department for Education as a school provider, distinct from its responsibilities as a policymaker.

In that context, the Commission is satisfied that there is a role for the Department for Education in providing some financial support to the establishment or expansion of government OSHC services in areas of identified unmet demand but marginal financial viability, even after thorough examination of alternative models.

Time-limited financial grants could cover start-up costs, such as equipment purchase (kitchen, recreational facilities), room modification, Child Care Subsidy software purchase, as well as supplement the early phases of a service while it builds its user base.

It will be important to develop clear funding guidelines to be put in place to ensure that the Department for Education is not providing ongoing subsidy.

## The importance of a place for OSHC

Providers and school leaders agree that access to dedicated space makes a significant difference to the ability to provide a suitable service.<sup>236</sup>

In government schools, the location and type of facilities for OSHC are determined by the school governing council and the school principal.<sup>237</sup> Noting that physical space can be limited, this decision can also be influenced by how much the governing council and school principal understand about the physical environment requirements of the National Quality Framework and the contribution of physical environments to the quality of provision.

The Commission has heard that OSHC services use a range of spaces within school settings. While some do have access to dedicated spaces, others use multiple areas across the school or shared spaces (such as the hall), which creates supervision challenges and makes transitions between play experiences difficult.<sup>238</sup>

Roundtable members highlighted the need for this context to be considered and better understood by school principals, families and Authorised Officers of the Education Standards Board when regulating and monitoring services.<sup>239</sup>

Survey respondents and roundtable participants identified a range of concerns and challenges relating to the physical environment including:

- regulatory requirements relating to indoor and outdoor environments (including accessibility)
- the challenges associated with shared spaces and setting up and packing down every day
- conflict between school staff and OSHC staff when sharing a space, insufficient access to kitchens or sufficient storage
- the need for active supervision even when children in OSHC are spread across multiple locations.<sup>240</sup>

The Commission acknowledges these real and daily challenges for both OSHC services and schools.

- Of particular interest are the ways in which the quality of the space impacts children's behaviour and can result in some children being excluded. Better spaces and mixed spaces (quiet spaces as well as room to run) cater for all the needs of children using the service.
- The Commission has also heard how good relationships with school leadership can ameliorate those challenges.
- In her evidence to the Commission, Ms Falkenberg supported the quarantining of space for the provision of OSHC to adequately cater for the varying needs of children transitioning between home and school. Ms Falkenberg noted that the Department for Education does not provide a designated footprint for the provision of OSHC.<sup>241</sup>

The Commission notes that schools and OSHC operate at separate times and for different purposes. The Commission views the requirement of some OSHC services to fully pack down and set up twice a day as inappropriate and understands why OSHC providers prefer the convenience associated with quarantined spaces. However, to provide a cost-effective use of public monies, learning and care spaces should, as far as possible, be shared respectfully rather than left unused for many hours each day.

This means that the appropriate solution for school design and OSHC is likely to be a thoughtful mix of some quarantined space, including for storage and for administrative work, and shared access to spaces which are appropriate for dual use and ready to go without major unpacking and packing-up obligations being placed on OSHC.

The State Government has advised that it is considering updating the Department for Education's planning standards during 2023 to ensure that OSHC services having access to appropriate physical indoor and outdoor play spaces is considered in infrastructure updates and developments.<sup>242</sup> This would see OSHC more integrated in the planning process. The Commission endorses this action.

The Commission recommends that the Department for Education place an appropriate priority, in its capital works program, on establishing and expanding appropriate facilities for government school OSHC services in areas of identified demand. Regional and remote communities should be a priority for growth initiatives.

## Workforce as a barrier to accessibility

The Commission understands that attraction, recruitment and retention of a stable, skilled and suitably qualified workforce in OSHC are major issues both nationally and in South Australia.

The Commission is of the view that workforce is directly impacting on the accessibility of OSHC.

### The particular challenges of workforce in OSHC

Responses to the Royal Commission's OSHC survey responses and stakeholder roundtable discussions have broadly identified the following key themes in relation to workforce.

**OSHC as a gateway job**—a heavy reliance on student teachers who resign once they have completed their qualification to commence their teaching careers.

**Secondary employment**—due to the part-time nature of working in OSHC, many educators have other jobs. Under Australian tax law, taxpayers can only claim the tax free threshold from one employer. Depending on the total income from both jobs, this may mean that week to week more tax is being paid than is required. While that does mean a tax refund will be received at the end of the financial year, it does not mitigate the lived experience of a higher taxation rate on a low wage week to week. Recognising this, the Australian Tax Office does provide mechanisms to reduce tax during the year, but it is likely that many OSHC staff would not be aware of this option and/or may find it hard to navigate.

According to the ACECQA workforce snapshot, 66 per cent of the OSHC workforce work between 1 and 19 hours per week, and only 10 per cent work full-time hours (35–40 hours per week).<sup>243</sup> As a result, many staff within OSHC need an additional job to secure a living wage.

**Staff turnover**—regular rotation of new, inexperienced staff places additional pressure on the service leader in relation to induction, training and recruitment. It also impacts on service quality with unfamiliar staff having less-developed relationships and knowledge of children and families, policies, procedures and routines.

**Pay and conditions**—difficulty in finding staff due to the nature of the role, which includes split shifts (early morning and late afternoon), low wages and a limited number of rostered hours, especially in services with fluctuating utilisation. The need to shift from part time operation in school term to full time operation during vacations also creates a staffing challenge.

Loss of staff to school system—staff are attracted to other child-related roles within the schooling system as teachers and school services officers, which offer more hours and better pay and conditions.

Different qualification requirements—services consider the current list of approved qualifications in South Australia to be restrictive. Services often engage teaching students who are then absent for periods of time during their teaching placements, adding extra staffing pressure. There are calls from the sector for a certificate IV level qualification to be recognised.<sup>244</sup>

According to the ACECQA workforce snapshot, 55 per cent of OSHC staff in South Australia have an early childhood education and care-related qualification (including a teaching qualification), slightly above the national average, and around 36 per cent of the South Australian OSHC workforce is studying (national average 23 per cent).<sup>245</sup>

Small services—small services and single staff services are more challenged when trying to maintain a pool of suitably qualified and experienced educators to cover staff absences or increased need for care. This is often due to an inability to offer regular and sufficient hours of work.

Value of the sector—throughout the survey responses there was a strong theme from respondents about feeling ‘undervalued, under supported and overworked’. One stated that OSHC was viewed as ‘babysitting’ rather than a valued profession. The lack of value placed on OSHC is reinforced further by low wages, limited hours and a lack of understanding from approved providers about the complexity of working in a highly regulated environment with complex children and families.

In a recent literature review, Associate Professor Jennifer Cartmel and Dr Bruce Hurst highlighted the need for increasing the awareness of the important role OSHC plays in supporting working families and promoting children’s health, learning, development and wellbeing. The report noted the low status of OSHC in Australia, often seen as a service that performs a simple task. The authors suggest that ‘this perception understates the multiple and complex roles performed by OSHC ... OSHC is an important contributor to children’s development and wellbeing, particularly for those children who spend large amounts of time there’.<sup>246</sup>

Workload, burnout and OSHC as a profession – The workload of OSHC leaders can be exacerbated by workforce challenges and the need to constantly recruit and induct new staff. Incremental increases in regulatory burden over time and the increasing complexity of families and children are not considered by many to be commensurate to the wages and conditions offered. Smaller services also suffer from a lack of a leadership team, leaving OSHC directors feeling isolated and under supported.

Workforce has been a universal concern in discussions about OSHC. The Commission acknowledges the very strong and articulate concerns presented by providers on workforce challenges. The Commission recognises the efforts that schools and providers are making on a daily basis to ensure services are available to children.

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‘Working in a small service often under a single educator model there are a number of challenges ... a lack of hours for additional staff mean that they are hard to come by and keep, leaving the director unable to cover shifts when they are ill or absent. This leads to stress and an unhealthy workplace.’

Source: OSHC survey respondent



‘Numbers do drop a lot seasonally with parents’ work patterns. Qualified staff are extremely challenging to employ and recently we are getting no applications at all from ads, we can’t offer regular ongoing employment due to numbers dropping and finance, so when we do employ staff, they tend to leave once the shifts stop. So going forward we are going to try to offer ongoing shifts, however, finances will probably not allow that to continue for too long. Which then puts us in the same position when numbers increase, we can’t attract qualified staff, which becomes problematic should the Director require time off, planned, or unplanned, resulting in burnout and illness.’

OSHC survey respondent





As noted by OSHC provider Happy Haven:

We are competing with Child Care Centres, Schools and other industries who can offer more hours at a higher pay rate without the need for family unfriendly 6:30–8:30 am and 3:00–6:00 pm split shifts. Of our 474 employees, when we discount staff who are directors or in administration, we have only 9 employees (less than 2%) who are not studying, not working another job, and who have us as their primary commitment.<sup>247</sup>

The OSHC survey responses identify the following potential solutions to support workforce:

- an expansion of the list of approved qualifications to recognise staff with a certificate IV qualification
- making it easier for school services officers (SSOs) to work in OSHC services by rostering hours in school that enable them to attend a second job in OSHC (for example, Happy Haven noted in their submission that some schools provide SSOs with flexible hours to allow them to also work in OSHC immediately after the school day, but others do not)<sup>248</sup>
- more specialised support from the Department for Education for services operating on government schools to support OSHC educators in managing issues, such as complex behaviour, and avoiding burnout
- further investment in training and development for the sector including upskilling of staff and consideration of how to make school-age care a viable career opportunity
- additional funding to support small services which are struggling financially due to low enrolments and operating as a single staff service model, to engage another educator to assist in managing workload and be a reliable reliever for cases of illness.

## Workforce qualifications

The State Government, in their submission to the Royal Commission, highlighted that they were ‘considering options to raise the profile of OSHC as a profession and implement changes to make it easier for OSHC services to attract and retain a trained, skilled and stable workforce.’<sup>249</sup>

OSHC SA assert that the workforce shortage, while significant across the sector, is greater in rural and remote areas, and that flexibility of regulation is key to access in some areas.<sup>250</sup>

There is no nationally consistent qualification requirement for educators caring for school aged children at OSHC, and jurisdictions have made their own decisions in relation to qualification requirements. Currently, South Australia has the most stringent requirements in the nation, with the first of every two educators requiring a diploma-level qualification.

By contrast, other jurisdictions distinguish in some form between the first and subsequent qualified educators, requiring a lower level of qualification for second qualified educators.

New South Wales and Tasmania do not currently require any form of qualification for those working in OSHC at all.

## Current OSHC requirements in South Australia

The first of every two educators required to meet the educator-to-child ratio for children over preschool age must hold an approved qualification. Approved qualifications are determined by the jurisdiction and published by ACECQA on behalf of the state.

In OSHC services, the second worker required to meet the educator-to-child ratios for school-aged children is not required to hold a formal qualification. However, all workers must hold a current working with children check (WWCC) and be aware of, and understand, their obligations under the *Children and Young People (Safety) Act 2017 (SA)*. The worker may also be required to hold an approved first-aid qualification to support the service's first aid qualification requirements.

Source: Education Standards Board, OSHC ratios.

Bachelor of Applied Science (Human Movement and Health Studies)

Bachelor of Children's Services (Charles Darwin)

Bachelor of Disability and Community Rehabilitation

Bachelor of Education—Early Childhood, Junior Primary or Primary

Bachelor of Education—Secondary

Bachelor of Education Middle School

Bachelor of Psychology

Bachelor of Social Science (Human Services)

Bachelor of Social Science (Human Services) Child Care

Bachelor of Social Work

Bachelor of Sport and Recreation

Students who have successfully completed two years of a four-year undergraduate teaching qualification listed above for South Australia

Diploma (or higher level qualification) in education and care, behavioural and social sciences, community services, health, allied health, sport and recreation or creative arts.

Diploma of Community Development

Diploma of Disability

Diploma of Education Support

Diploma of Leisure and Health

Diploma of Teaching

Diploma of Youth Work

Graduate Diploma of Social Science

Advanced Certificate in Child Care

Advanced Diploma of Children's Services

Advanced Diploma of Community Services (Children's Services)

Advanced Diploma of Community Services Management

Associate Diploma in Social Science (Child Care)

Certificate in Child Care (1976–1980)

Diploma of Children's Services

Diploma of Children's Services (Early Childhood Education and Care)

Diploma of Children's Services (Out of School Hours Care)

Diploma of Community Services (Child Care)

Diploma of Community Services (Children's Services)

Diploma of Community Services (Management)

Diploma of Early Childhood Education and Care

Diploma of Out of School Hours Care

Diploma of School Age Education and Care

Any other qualification that would enable an applicant to register as a teacher in South Australia.

**Table 7:** Current approved qualifications for the first of every two educators in South Australian OSHC services.

Source: ACECQA.

Associate Professor Jennifer Cartmel and Dr Bruce Hurst, in their literature review, indicate that qualifications are one factor of higher quality settings, and research suggests that qualified staff are more likely to possess the right mix of skills and knowledge when working with children in an OSHC setting.<sup>251</sup>

However, there is a need to balance the potential positive impacts of a higher qualified workforce against the negative impacts of qualification requirements on workforce turnover. In particular, qualification requirements that embed the likelihood of workforce turnover should be avoided.

OSHC educator turnover is a significant issue for the sector, and providers and school leaders noted in conversations with the Commission the impact that staff turnover has on quality service provision.

Perversely, South Australia’s historically very high qualification requirements have exacerbated OSHC educator turnover by causing an over-reliance on teaching students, many of whom move on to other education settings after two years.

In response to calls from the sector, the Minister for Education, Training and Skills recently approved changes to the list of approved OSHC qualifications in South Australia.

The changes include an expansion of the diploma-minimum qualifications to reflect a broader range of disciplines, removal of the provision that teaching students need to remain actively working towards their qualification after two years of successful course completion, and removal of conditions that require a specific period of experience in working with school age children.

The Commission commends this.

The Commission further recommends that the first qualified educator be expanded to include holders of a Certificate IV in Out of School Hours Care with appropriate knowledge, history and understanding to effectively supervise and manage the service where they are the person in day-to-day charge at the service.

The Commission does this noting that the achievement of this qualification and the requisite experience reflect a personal investment and interest in working in the sector.

The Commission further recommends that the State Government continue to expand and improve the flexibility of the qualifications list, noting that a range of configurations of professional experience, completed and ongoing study may be suitable to support meeting the educator qualification requirements.

The State Government further advised in its submission on OSHC that:

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The Department is also considering seeking legislative amendments to introduce two-tier qualification requirements, whereby:

- the first qualified position is filled by a diploma (equivalent or higher) candidate
- subsequent educators required to meet the qualified educator ratios may hold a certificate III or IV (in education, care or disability) or higher, replacing the need for a diploma (or higher) qualification.<sup>252</sup>

The Commission recommends that the State Government progress this initiative promptly, noting it will bring South Australia broadly into alignment with other jurisdictions.

To be clear, the recommendations above relating to expansion of the educator qualification requirements refer to the first qualified position.

## Staffing waiver availability

The Education Standards Board's submission to the Royal Commission states that in 2022, 40 per cent of all waiver applications were from OSHC services, up from 20 per cent in 2019 and 2020. The submission suggests this is consistent across Australia but that low numbers of qualified staff in OSHC services present a risk to the health, safety and welfare of children.<sup>253</sup>

The Commission notes that the ESB advises 19 staffing waivers had been approved for OSHC services in the first quarter of 2023, with 1 application being refused during the time period due to ongoing compliance issues at the service.<sup>254</sup>

Some in the sector have suggested that waiver applications are unlikely to be successful, even in the context of a national workforce shortage, and so they are electing to not apply for them. Instead, they are capping service numbers according to the number of qualified staff they have available.<sup>255</sup> Consequently, the number of staffing waivers in place does not reflect the overwhelming feedback from the sector regarding the workforce challenges.

Anecdotal sector feedback highlights increased difficulty in seeking staffing waivers from the ESB, with increasing requirements to provide documented risk assessments and demonstrate efforts have been undertaken to meet staffing requirements, including recruitment, attraction and retention strategies.

The Commission notes that the requirement for this level of information appears to be nationally consistent, although it does not have evidence about the level of detail required in other states.

Troublingly, the processing time associated with completing and assessing these waivers means that they can be issued after the date range for which they were applied.<sup>256</sup> This issue relates to the discussion in Part One regarding the ESB and should be addressed in the recommended change management process.

## Improving OSHC service availability by better connecting workforce to schools

Central (or 'corporate') Department for Education support for government school OSHC services is discussed in the section below related to governance.

This section discusses the particular role that schools themselves can play in supporting the OSHC workforce. While the discussion is targeted to the government school system, the Commission notes that these issues are also relevant to the non-government school sector.

The Commission has heard extensive evidence about the benefits of having school services officers (SSOs) who work at school during the day also work at OSHC, especially in terms of continuity for students needing extra support.

On a related note, the Commission has also heard about the benefits of including OSHC staff in whole-of-school professional development on issues such as trauma-informed practice and complex behaviour management.

The experience of consistency between one setting and the next is important for children, and the Commission notes that improving alignment of practice between school and OSHC supports the broader narrative (identified above) that OSHC should be viewed as an integral part of the school community.

The Commission notes that some OSHC survey respondents called for the ability of SSOs to perform roles in OSHC in their position as school employees.

In doing so, these respondents reflected both on the administrative ease of this arrangement (including scheduling) and the financial benefits for OSHC staff who do not need to have a second employer, against whom they cannot claim the tax-free threshold.

While there is an intuitive simplicity to this, a range of complexities are associated with SSO employment in OSHC services that do not have a simple solution.

First, it means the school is committing to a wage cost in a way which cross subsidises OSHC.

Second, and notably, many SSOs are paid more than other OSHC educators, and the Commission does not view it as industrially sound to embed a situation where some workers are paid more than others doing similar work.

However, the Commission does believe there may be a need for principals, OSHC and SSOs to consider the support needs of individual children. The Commission has heard evidence about children who have one-to-one SSO support during the school day but no such support at OSHC. It may be that being sensitive with start and finish times of SSOs is appropriate in the interests of inclusion, with the SSO assisting with transition into OSHC. Sensitivity on roster arrangements for SSOs may also facilitate them taking a second job at OSHC if they choose.

The Commission recommends that as part of principal induction materials, principals be asked to consider how to plan for inclusion support, as far as is possible.

## Single staff services

The Commission is aware of some services operating as a single staff model (less than 15 children) due to low utilisation and/or financial viability. Providers and the ESB both acknowledge the inherent risk in such provision.

Roundtable members have noted that some operators, particularly third-party providers, will not operate as a single staff service, which means they will only tender for services of a certain size that can financially support a model with two educators.<sup>257</sup>

Of course, child safety is vital, but for some small school communities, without supplementary financial support, a single staff model is the only choice they have to support a viable service.

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‘We run our OSHC at a significant loss as we are a small school. We regularly have between 5 and 10 students but still need to staff with 2 people for safety. We recognise that it is an important part of our service for our parents so they can afford to come to our school but struggle to justify its existence each year at budget time.’ Source: OSHC survey respondent

‘Due to smaller school numbers, there are less children accessing the service which means less money coming in. The service needs to either charge more fees to cover running costs or have the school support.’ Source: OSHC survey respondent

‘We have resorted to asking existing families this year if they have any hours that they can withdraw to help assist new families. This resulted in 4 new families able to access care.’

**Source: OSHC survey respondent**

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# The regulatory approach to out of school hours care

The Commission has heard about the challenges of OSHC being provided under a regulatory approach that is also applied to other early childhood education and care services from birth.<sup>258</sup>

## Findings

The assessment and ratings process under the National Quality Framework is not fit for purpose or reflective of the different nature of out of school hours care, compared to other service types regulated under this framework.

Many OSHC providers find the assessment and rating process confusing and inconsistent.

Forty-two per cent of South Australian OSHC services rated against the 2018 National Quality Standard have been rated as Working Towards, compared with 15 per cent nationally.

As noted in Part One, the Commission is unable to determine how much South Australia's higher rate of Working Towards services is explained by a different regulatory approach, and how much is explained by the actual performance of South Australian OSHC services.

The quality areas (QA) most rated as Working Towards are consistent with national trends: QA1 (educational program and practice), QA2 (children's health and safety) and QA7 (governance and leadership).

## Recommendation 37

### Ensure a fit-for-purpose regulatory approach to OSHC

That states and territories and the Commonwealth Government follow through on their commitment to review the National Quality Framework assessment and rating process for OSHC, noting this commitment was made in response to the 2019 National Quality Standard Review.

## Recommendation 30

### A focus on improving services that are 'Working Towards' the National Quality Standard

- a. That the Office for the Early Years introduces additional supports for services providing preschool programs that are Working Towards the National Quality Standard. This should include:
  - both government and non-government services
  - working with the Education Standards Board to ensure that action is taken for consistent non-achievement of the National Quality Standard by services providing preschool programs.
- b. That the Department for Education introduces additional supports for out of school hours care (OSHC) services on government sites, including third-party providers, who are Working Towards. This should include:
  - working with the Education Standards Board to ensure that action is taken for consistent non-achievement of the National Quality Standard by government OSHC services.

*Note that this recommendation has been updated to include working with both government and non-government preschool services which are Working Towards the National Quality Standard.*



## Fit-for-purpose regulatory framework

In 2019, a national review of the National Quality Framework (NQF) was undertaken, leading to a range of subsequent legislative and policy changes endorsed by governments.

As a result, from 1 July 2023, OSHC services in Tasmania, South Australia, Western Australia and Victoria are no longer required to keep documentation about individual children's development. Instead, these services will keep documentation about the development of the educational program. This brings these jurisdictions in line with changes previously made in New South Wales, the Northern Territory and Queensland.

It is envisaged these changes to programming and documentation requirements will address long-term concerns from the sector about the appropriateness of individual planning for children in OSHC.

Another key area of feedback in the National Quality Framework Review was the assessment and rating process as it applies to OSHC, noting the unique context of OSHC services compared to other service types.

The Royal Commission has also heard this feedback through its deliberations, with stakeholder roundtable members sharing examples such as adherence to the NQF meaning primary school-aged children need to be accompanied to the toilet at OSHC, when they would be able to leave class and go to the toilet by themselves during school hours.

In response to the National Quality Framework Review, all governments agreed to review and consider changes to the assessment and rating process for this service type.<sup>259</sup>

However, the Commission is advised that work is yet to be scoped and considered by the relevant senior officials' group.

Noting the National Quality Framework Review is now four years old, the Commission's view is that there is a need for priority action on this.

The Commission notes that this mismatch between context and assessment process may be contributing to the quality issues discussed below.



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Fifty-seven per cent of OSHC survey respondents considered the assessment and rating of OSHC services a significant issue.

Feedback highlighted a preference for modifying the assessment and rating methodology for OSHC to better suit the unique context of OSHC and capture what constitutes quality in these services.

Support for a modified methodology for OSHC services was also evident in feedback from families and carers.

Sector peak bodies and large providers, while acknowledging the challenges experienced by OSHC services in meeting National Quality Standard requirements, highlighted the importance of maintaining the professionalism of the sector.

Some peak bodies were concerned that changing the assessment and rating methodology for OSHC risked de-professionalising the sector.

Other peak organisations suggested there was insufficient evidence to justify major changes to the assessment and rating methodology and that it would be more appropriate to support the sector and Authorised Officers in other ways, such as through further guidance and professional development.

This is particularly evident when you consider the national data which shows OSHC services can meet or exceed the National Quality Standard.



**Figure 20:** ACECQA—SA Assessment and rating data as of 1 April 2023

**Source:** ACECQA Online Snapshot 1 April 2023

**Note** figures may not sum to 100%, as Excellent ratings are not shown.

## Understanding the drivers of quality

While OSHC is governed by the National Quality Framework, participants at the Commission’s OSHC roundtables and formal submissions have emphasised that OSHC services are contextually very different to other settings.<sup>260</sup>

Supported by the ‘My Time Our Place’ framework, educators focus on collaborating with children to offer meaningful, engaging and developmentally appropriate recreation and leisure experiences.

They support children’s agency and promote choice in providing space, resources and guidance, where needed, to design their own play experiences rather than participate in those determined by educators.

OSHC services also emphasise providing space and time for children to develop and maintain friendships, rest and relax.

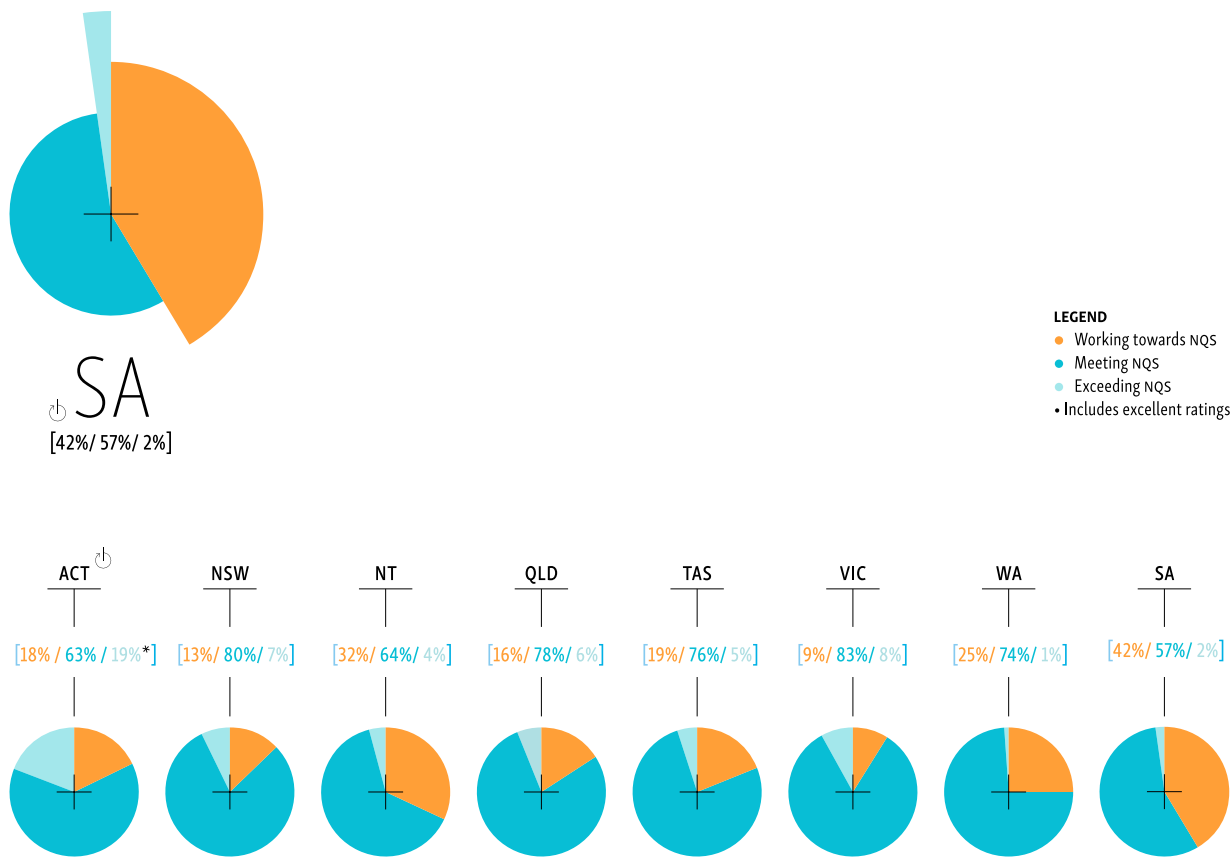
Roundtable participants noted that some families wished their children to use their time at OSHC to complete homework tasks. They noted that for some children, the time spent in OSHC can be as long as the time spent in the formal school learning environment.<sup>261</sup>

In a submission to the Royal Commission, Helen Connolly, Commissioner for Children and Young People, was concerned that OSHC was seen as the provision of care and an extension to the school day rather than a service supporting children’s right to leisure and play.<sup>262</sup>

ACECQA’s 1 April 2023 Snapshot shows that 22 per cent of South Australian OSHC services have an overall quality rating of Working Towards the National Quality Standard. It should be noted that this includes services that were assessed and rated under the 2012 National Quality Standard as well as those assessed and rated against the revised 2018 National Quality Standard.

The Commission understands that just over 40 per cent of all early childhood services in South Australia have been rated against the 2018 National Quality Standard,<sup>263</sup> compared to 76 per cent nationally.<sup>264</sup> This is considered further in the discussion of the Education Standards Board in Part One.

A comparison of the national data shows that South Australia has the second highest percentage of OSHC services rated as Working Towards the National Quality Standard, behind only the Northern Territory. Interestingly South Australia also has the second highest percentage of OSHC services rated as Exceeding the National Quality Standard, behind the ACT.



**Figure 21:** ACECQA—Assessment and rating outcomes for OSHC services assessed against National Quality Standard (2018)—comparison with other jurisdictions

**Note** figures may not sum to 100%, as Significant Improvement ratings are not shown.

Source: ACECQA Online Snapshot 1 April 2023, \*includes Excellent ratings

The ESB has provided detailed data regarding the performance of OSHC services in South Australia. The submission identifies an overall decline in the number of OSHC services rated as Working Towards the National Quality Standard since 2013 (demonstrating service quality improvement over time).

However, the submission also highlights that 60 per cent of the 136 South Australian OSHC services assessed and rated between 2020 and 2022 have been rated as Working Towards the National Quality Standard, significantly higher than for long day care services and preschools.<sup>265</sup>

The ESB provides a national comparison of OSHC services assessed and rated against the 2018 National Quality Standard.

The results are sobering.

Of the 196 OSHC services assessed and rated against the 2018 National Quality Standard, 42 per cent received a Working Towards rating. This compares starkly with a national average of 15 per cent.<sup>266</sup>

At the OSHC roundtable, the Registrar of the Education Standards Board suggested that an increase in services rated as Working Towards has also been seen in the assessment and rating outcomes of other service types in this state.<sup>267</sup>

The Education Standards Board (ESB) has expressed significant concerns about the quality of OSHC services in South Australia and the levels of non-compliance with regulatory requirements, with subsequent risk to children’s health, safety and wellbeing. The ESB’s concern relates to areas such as active supervision and health care support planning and documentation.<sup>268</sup>

The Commission is unable to determine the proportion of this result that is explained by the difference in regulatory approach and the proportion that is explained by the actual performance in South Australian OSHC services.

Almost half (45 per cent) of services operating on a government school site have a Working Towards rating compared to the national average of 15 per cent. More than half (55 per cent) of OSHC services operated by governing school councils have a Working Towards rating.<sup>269</sup>

The quality areas (QA) most rated as Working Towards are consistent with national trends: QA1 educational program and practice, QA2 children's health and safety and QA7 governance and leadership. Of particular concern, however, was that 45 per cent of services operated by school governing councils received a Working Towards rating in QA5 relationships with children.<sup>270</sup>

As noted previously, South Australia has historically had the highest qualification requirements nationally for OSHC, with a diploma-level qualification being the minimum qualification level (1 qualified educator to every 30 children), noting that those who have completed two years of a four-year teaching qualification are also able to be recognised as qualified. However, the Commission has heard that higher qualification requirements in South Australia have not translated into improved ratings for the sector.

Further and deeper analysis of the Working Towards assessment and rating outcomes should be undertaken by the Department for Education in collaboration with the Education Standards Board to understand what structural quality factors are impacting on the lack of continuous improvement of government school OSHC services. The Commission notes that this work should be undertaken at the same time as the recommended change management work at the ESB. This will enable the Department to understand what proportion, if any, of Working Towards ratings outcomes are explained by different regulatory oversight practices in South Australia.

This assessment should consider the factors that differ in the Working Towards services from those which are attaining a 'Meeting' or 'Exceeding' standards assessment.

# Governance of OSHC in government schools

Under the *Education and Children's Services Act 2019* (the Act), governing councils at Department for Education schools can establish and conduct, or arrange for the conduct of, services to support the education, care, development, recreation, health or welfare of children outside school hours.

The governing council is an incorporated body and operates under an approved constitution.

Under the Act, individual members are protected from civil liability for any action undertaken in their role as a council member where they have acted in good faith, with due diligence and for proper purposes. The Act transfers this liability

to the Crown, with public liability insurance provided by the South Australian Government.

The provision of OSHC on government school sites is guided by the Department for Education policies and procedures, which provide that school governing councils decide who will provide OSHC services on government school sites. The governing council can choose to be the approved provider of a service or can engage a third-party provider to operate the service.<sup>271</sup>

The Department for Education has a very limited role as an approved provider of OSHC services in relation to the provision of rural care on 17 sites.

## Findings

Almost half (45 per cent) of services operating on a government school site have a Working Towards rating compared to the national average of 15 per cent. More than half (55 per cent) of OSHC services operated by governing school councils have a Working Towards rating.

Choice of OSHC providers by governing councils, and a close relationship between governing councils and the OSHC provider, help ensure services meet the needs of individual school communities.

The Department for Education has a clear role and responsibility to ensure OSHC provided on government school sites is high quality, safe and accessible.

Governing councils are made up of volunteers, and yet they hold great legal, financial and personal responsibility for safe and high-quality OSHC provision.

The ability of the governing council to fulfil these responsibilities is necessarily subject to the highly variable mix of skills and knowledge of parent volunteers.

There is additional workload for school principals when OSHC is provided on site. This is not currently recognised or remunerated in role descriptions or job classifications.

The State Government and the Education Standards Board should analyse South Australian OSHC assessment and rating data to better understand the process and structural quality factors that may

be contributing to underperformance of OSHC service provision on government school sites.

Governing councils who are the approved providers of OSHC services should receive compulsory and regular training to ensure members are fully aware of their roles and responsibilities.

An annual self-assessment process by school principals and governing councils would improve OSHC provision, by considering matters such as:

- embedding the OSHC service in the school's functioning and planning
- ensuring governance and leadership settings are right
- identifying opportunities for continuous improvement
- supporting the OSHC service to meet regulatory requirements and Department policies and processes.

## Recommendation 38

### Change the approach to OSHC delivery on government sites—from governing council to third-party provider led

That the default position for government school OSHC service provision should be third-party provision contracted by the Department for Education, with appropriate local parent input.

Governing councils should be able to establish or continue operating services if they wish, or directly contract third-party providers, in the absence of identified quality concerns.

A program of proactively supporting governing council-led OSHC services to transition to third-party provision should be instituted.

## Recommendation 39

### Increase central Department for Education support for government OSHC provision

The Department for Education should invest in improving existing corporate arrangements in relation to OSHC, including by:

- a. directly managing the contracts of third-party providers on school sites
- b. improving the quality and efficiency of contract management
- c. providing system-wide oversight of quality and performance of government school OSHC services.

## Recommendation 36

### Supporting principals to deliver sustainable government school OSHC

The Department for Education should recognise the additional workload and accountability for school leaders associated with having a government school OSHC service, through:

- a. ensuring the additional responsibility is adequately reflected in the school principal role statement and is considered when determining principal classification levels
- b. the provision of dedicated leadership and administrative support time to each school with an onsite OSHC service
- c. specific induction and training for school leaders to undertake their roles and responsibilities, including the need to:
  - respectfully share spaces and incorporate the spatial needs of OSHC in school planning
  - improve the integration and support of the OSHC workforce in the broader school workforce as far as practicable, including by incorporating OSHC staff in relevant professional development and potentially rostering school services officers (SSOs) to assist the transition to OSHC or to facilitate their separate employment at OSHC should they choose to also work in that setting.

## Revisiting the role of governing councils as the approved provider of OSHC services

An OSHC service is a complex, highly regulated small business.

A school governing council that is the approved provider assumes responsibilities under the National Law, National Regulations and the Family Assistance legislation governing the administration of Child Care Subsidy.

Additionally, as an employer, they are responsible for ensuring all legal requirements relating to tax and superannuation, pay and employment conditions, and workplace health and safety are met. In practice, these responsibilities are delegated to school staff to undertake.

Governing councils are made up of volunteers and are not always aware of the scope of their responsibilities in relation to OSHC. Collectively, members may not have the necessary skill set or business acumen to fulfill their obligations.

Membership of governing councils can change annually, and it can be difficult to maintain continuity of engagement and corporate knowledge. In some instances, schools may find it difficult to attract sufficient interest from families to form an effective governing council.

Often the functions, decision-making and activities required to operate an OSHC service sit with the school principal, school finance officer and OSHC director.

Some OSHC services have more enrolments than some entire small schools. However, they operate without centralised corporate infrastructure to support the activities required to operate effectively.

In some instances, governing councils outsource business functions including human resource management, buying in specialised services (for example, industrial relations and legal advice), financial management tasks (such as invoicing and the administration of Child Care Subsidy) and the development of service policies to meet the requirements of the National Quality Framework.

The Education Standards Board's submission to the Royal Commission highlights that 78 per cent of the OSHC services operated by school governing councils that received an overall Working Towards rating also received a Working Towards rating in QA7 ('governance and leadership').<sup>272</sup>

OSHC survey responses saw repeated calls for the Department for Education to become the approved provider or operator of OSHC services on government school sites to address concerns and challenges associated with governing council-operated OSHC services.

These calls were largely made in the context of providing more management support to service directors. In its submission to the Commission, the ESB noted:

.....

The Education Standards Board has observed the following underlying contributing factors of poor compliance and quality in OSHC services:

- The contractual performance of third-party providers is not being actively monitored, managed and reported where the service is on a Department site.
  - There is limited succession planning, mentoring, hand-over and support of newly appointed service directors. This can lead to educators being appointed to the director role when they do not have adequate experience, qualifications or support in the role.
  - The generally low understanding by school Governing Councils of their obligations as an approved provider under the Education and Care Services National Law (South Australia).
  - The strength of the relationship between the principal of the school and the OSHC service and the capacity of the principal’s role to provide the leadership, guidance and support to the service to enable success and continuous improvement.<sup>273</sup>
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‘The OSHC business is dynamic and fast moving with many significant changes in recent years. Whilst our principal is generally available for on the spot decisions, having a volunteer parent group as the Approved Provider provides little if any business experience to support the running of the service.’

**Source:** *A school finance officer responding to OSHC survey*

‘While school governing councils can be a great model of families being involved in the governance of a service, providing community voice directly to the policies and running of a service, often times the volunteers are under informed as to their role and responsibility to the service.’

**Source:** *OSHC survey respondent*

‘OSHC has the opportunity to be a crowning jewel of our education system, if we are given the appropriate supports needed.’

**Source:** *OSHC survey respondent*

On the other hand, feedback from school principals at the OSHC roundtable and through the sector survey identified significant benefits to governing council-operated OSHC services including increasing the level of connection between the school and OSHC service, allowing sharing of resources (including human resources) and alignment of values, visions, approaches to inclusion and managing children’s behaviour.

While principals with governing council-operated services identified the value of local decision-making and increased level of control over service and staff, they noted the increased level of administration burden and responsibility for school leadership and school finance staff.<sup>274</sup>

The issues raised by the regulator about the quality of government school OSHC and, in particular, governing council-provided OSHC are significant, and they appear to be largely agreed on by the State Government.<sup>275</sup>

The Commission notes the significant mismatch between the serious responsibilities imposed on approved providers, the voluntary nature of governing council membership and the overarching purpose of governing councils of schools, where OSHC is only one focus among many.

Given this, the Commission recommends that the default position for government school OSHC service provision should be third-party provision as detailed below, noting the challenges with a governance model that relies on parent volunteers.

While governing councils should be able to establish or continue operating services if they wish, this should only be in the absence of quality concerns.

Further, the Department for Education should proactively support governing councils operating OSHC services to transition to third-party provision.

## Contracting third-party OSHC providers in government schools

Currently, many Department for Education school governing councils choose to engage a third-party OSHC provider.

Governing councils must select from a panel of approved providers via a mandatory procurement process which is designed to ensure a transparent, equitable and impartial process for providers.

As noted above, this panel procurement process is supported by the Department for Education, and Recommendation 33 recommends the simplification and streamlining of this process to make it faster and easier.

The Department for Education helps to formalise the licence and services agreement between the Minister, the school governing council and the third-party provider.

Contract management of the licence and services agreement is undertaken by the principal as the Minister's representative.

As contract manager, the principal must establish an OSHC advisory committee, ensure incidents are reported on the Department's incident reporting management system, meet with the provider to discuss any concerns around performance or management of incidents or complaints, assess overall service performance against the contractual requirements, and report to the governing council.

The Commission has previously noted the benefits of governing council involvement in the process of engaging in the establishment and management of third-party providers of OSHC services. However, the Commission's view is that these benefits could be arranged through appropriate parent consultation and engagement built into the procurement and contract management process.

In general, the Commission's view is that the Department for Education should act as the contracting party with the third-party provider.

## Supporting the principal

School principals play a critical role in the operational decisions about OSHC. In their role, they are ex-officio members of the school governing council, contract managers of third party provider agreements and line managers of governing council employees. They also hold delegated authority under the instrument of authority in instances where the governing council is the approved provider of OSHC. In addition, the provision of vacation care may create workload for principals during school holidays, in particular when there are critical incidents on site that require management.

Principals are supported by finance officers or business managers to undertake tasks associated with the operation of the onsite OSHC services and, in some instances, delegate certain functions to another senior leader on site.

The NSW Department of Education has developed a principal's guide to support school principals to better understand how OSHC services operate and the importance of OSHC to children, families and the school community. It reinforces the importance of strong partnerships between school principals and OSHC services, and how effective leadership and management supports quality environments and children's learning and development.<sup>276</sup>

In evidence to the Royal Commission, the President of the South Australian Primary Principals Association, Ms Falkenberg, provided insight into the scope of the principal's role in supporting a governing council to operate an OSHC service. She suggested that the time it takes to support the governing council, support the OSHC director and manage facilities is not captured in a principal's role description. She stated:

So if you win a principal job where there is an OSHC and you are finding it overwhelming, the feedback can be 'well it's optional, so you could choose to not have it', but that's a guaranteed kind of career suicide for a principal to say to the governing council, 'sorry, community, we're not doing it'.

So ... there is information on the Department's website, there are people the principals can call, but most of them will tell me, it's one of the things that keeps them up at night and that is the regulatory stuff. You know ... they're on a fast track to know what to do ... your responsibilities are outlined ... the finance piece, working with council, inducting new council members as well [as] understand the running of OSHC. It's a challenge.

And I think ... a lot of the OSHC that is governing council run is built on significant goodwill. It's kind of voluntary labour if you like. And while that sounds harsh, I think for it not to be recognised as a valued part of a leader's role in a community is just wrong.<sup>277</sup>

The Commission agrees that principals play a critical role in the effective provision of quality OSHC on site. This will continue even with formal contract management responsibilities assumed by the Department for Education, as day-to-day management of the relationship with the OSHC provider is critical to the successful delivery of the service.

The Commission recommends that this role is reflected in a range of ways, importantly, through role classification and remuneration, and the provision of additional support in the form of additional leadership and administrative time. The Commission is also of the view that there is a need for improved induction of principals.

Increased support and recognition should be matched against a more formalised process of review and continuous improvement for OSHC services. The Commission recommends an annual self-assessment process is undertaken by principals and governing councils to reflect on the ways OSHC is embedded in the school's functioning.

This self-assessment should also consider whether governance and leadership settings are right, identify opportunities for continuous improvement, and ensure compliance with regulatory requirements, Department for Education policies and processes.

## Role of the Department for Education in supporting OSHC

Currently, the South Australian Department for Education has a very small OSHC team providing direct support and advice to government school principals, governing councils, OSHC directors and staff.

This team supports school communities to respond to the need for OSHC, assists school principals to manage contracts with third-party providers, and provides intensive support to sites to respond to matters of non-compliance or issues of viability.

The team is also responsible for developing and implementing systemic operational support for sites and services, managing the Department's panel of approved third-party providers, and administering the Department's Intervac (disability inclusion) funding program (discussed below).<sup>278</sup>

The need for continued and increased central support was an area of consistent feedback in responses to the OSHC survey.

It is noted that a range of areas within the Department for Education provide a degree of advice, support, resources and tools to schools around the provision of OSHC, such as financial operations.<sup>279</sup>

However, survey responses clearly called for the department to be more involved in the provision of OSHC, such as providing training and more support to OSHC services and schools to improve business management practices and ensure the same level of quality education and care is provided in OSHC as in other department-operated services. Feedback indicated that this would support retention of staff and address workload concerns.

The Commission notes recent reforms in both New South Wales and Victoria to increase OSHC services, introduce guiding materials and, in NSW, to centrally manage contracts.

The role of the Department in this context is advisory in nature, supporting the separate legal entity of the governing council.

However, families and the broader public do not differentiate between a service on a government school site and services provided by the Department. The school community expect a quality OSHC service where their children are safe and actively engaged and look to school leaders and the Department to address any concerns they may have about the service.

The State Government's submission notes that the current arrangements place significant responsibilities on principals, while leaving the central Department without good visibility of the operation of OSHC services across sites:

It is critical that the government has clear visibility of OSHC provision, from a site by site to an across-system view. Under the current service delivery model, where the government is not a provider, limited information is available about supply and demand, staffing, quality, and affordability of services. Any expansion of OSHC should be coupled with enhanced visibility to allow a more proactive approach to compliance and risk mitigation and management, as well as to support system level planning and service delivery.<sup>280</sup>

It is in this context that the Commission recommends that the Department for Education assume primary responsibility for contract management of third-party providers. In addition, the Commission recommends that the Department should also instate:

- regular monitoring, evaluation and analysis of service provision and practice focusing on quality, viability, affordability and accessibility
- patterns and trends of non-compliance are tracked, monitored and responded to at both the individual site and systemically, where necessary
- services rated as Working Towards the National Quality Standard are supported to improve service quality.

## Direct provision of service

The Commission also met with representatives from the South Australian Commission for Catholic Schools (SACCS) to understand their operating model.

The SACCS has a range of operating models, including as the approved provider of 43 OSHC services on Catholic school sites.

Under this model, the principal is the nominated supervisor of the service and, as such, responsible for the day-to-day management of the OSHC service.

SACCS operates 43 OSHC services, and another 22 SACCS schools outsource their OSHC to a third-party provider.

The Commission notes that the question of the Department for Education directly providing OSHC services overlaps with the questions raised in Part One regarding the appropriate role of the State Government in direct provision, in particular in thin markets.

The Commission has made recommendations in Part One about the need for the State Government to articulate a transparent approach about when it will provide services directly, and the Commission notes that this applies equally to OSHC services.

The Commission notes that the current rural care model operated by the Department for Education often includes the provision of long day care and OSHC through a single service. This is a very effective model for provision of services in very small outer regional and remote communities where no other service provision will be financially viable.

# Disability inclusion in out of school hours care

The Commission's stakeholder roundtables heard much commentary about the challenges faced by services in relation to the inclusion of children with significant disability and/or complex behaviours.

Participants discussed the increased prevalence of children with complex behaviours attending OSHC and the associated risks to the health, safety and wellbeing of all children at the service, issues relating to children's egress from school sites, as well as challenges in meeting significant personal care needs within existing facilities.<sup>281</sup>

Members of the Royal Commission team were privileged to spend some time with the principal, parents and OSHC director at the Adelaide North Special School in June, and this visit is discussed in more detail later in this report.

Overwhelmingly, it is clear to the Commission that inclusion looks different for different children and families, and OSHC is a vital service to support inclusion, recreation and respite for children with complex additional needs and their families.

## Findings

Children who require care at high educator-to-child ratios are often excluded from any OSHC services due to high cost and lack of skilled educators.

Enrolments can be insecure and may be cancelled or changed at short notice due to lack of staff.

Families with children who have complex additional needs and require specialised OSHC outside a mainstream school setting face prohibitive costs to access OSHC.

Families accessing NDIS funds to pay for specialist OSHC have to carefully manage their NDIS plan budgets to ensure there are funds available to provide care when it is most needed.

OSHC settings are challenged to be inclusive when they are located in places and spaces that are not fit for purpose.

There is no continuity of school services officer (SSO) support for children who attend both school and OSHC.

In view of increased demand from families for schools to support their children to access NDIS services on site, there is an opportunity to use OSHC as a base for NDIS service provision.

## Recommendation 40

### Planning and specialist support for inclusion at government school OSHC

That the Department for Education ensures school staff, as well as expert supports such as Student Support Services, consider a child's participation in government school OSHC when developing inclusion plans. The Department should include OSHC educators in professional development, scheduled at appropriate times given OSHC work patterns, to support the individual needs of children with disabilities and complex behaviours.

This may include improving arrangements for sharing of appropriate spaces, per Recommendation 36, above.

## Recommendation 41

### Provision of OSHC at special schools

That the State Government reviews the Victorian High Intensity OSHC model and considers its application to special school sites in South Australia, with a view to improving access to OSHC for children in special schools within a three year timeframe.

## Recommendation 42

### Partnering with the National Disability Insurance Agency

That the State Government works closely with the National Disability Insurance Agency, the Commonwealth Department of Education and the Commonwealth Department of Social Services to partner on trialling different models of making government OSHC services more inclusive and accessible, and compatible with NDIS (National Disability Insurance Scheme) service delivery.

## Recommendation 3

### A new national settlement of roles and responsibilities in early childhood education and care

That the State Government seeks a national settlement of roles and responsibilities in relation to early childhood education and care, noting that the Commission's preferred national settlement would see:

- states and territories having primary responsibility for:
  - ensuring quality in long day care, preschool and out of school hours care (OSHC); and
  - enabling families to be connected to the information and supports they need by building the capacity of early childhood education and care services to form the backbone of an early child development system;
- **the Commonwealth having primary responsibility for:**
  - ensuring that long day care is accessible and affordable for all;
  - ensuring preschool for three and four-year-olds in long day care is accessible and affordable for all;
  - ensuring out of school hours care, including that provided for preschool aged children in government preschools, is affordable, with service accessibility a shared responsibility given the role of the states and territories in enabling OSHC delivery at government schools and preschools; and
  - **providing inclusion support in long day care, preschool and out of school hours care, including meeting the needs of children requiring 1:1 support to ensure their health, safety and wellbeing and to encourage active participation in the program.**

This new national settlement could be pursued via the National Cabinet's consideration of a National Vision for Early Childhood Education and Care.

## Recommendation 5

### Actions for the Commonwealth Government

#### That the Commonwealth Government:

- ensures the State Government has regularly updated access to Child Care Subsidy data to support system design and insight into system-wide participation
- extends changes to the Child Care Subsidy to enable all families to access up to three days a week of care without the need to meet any activity test
- considers adopting a needs-based funding model for early childhood education and care, in recognition of the additional costs of effective inclusion of disadvantaged cohorts
- considers introducing differential pricing in the Child Care Subsidy for younger children with higher educator-to-child ratios
- **ensures families of those children accessing out of school hours care (OSHC) located on a special school site are not unfairly financially disadvantaged by the higher costs associated with the provision of care to children with complex needs and disability**
- supports an increase in the pay of early childhood education and care educators.

That the Commonwealth Government promptly amends the Child Care Subsidy Minister's Rules 2017 to allow out of school hours services operating on government preschool sites to be eligible for the Child Care Subsidy.

This recommendation is made:

- noting that Royal Commission modelling suggests South Australia currently misses out on approximately \$35.5 million per annum in Child Care Subsidy because it directly provides government preschool
- in light of the commitment made by the Commonwealth on signing the Preschool Reform Agreement to progress this matter
- most importantly, recognising that this facilitates the optimal arrangement for many children – the provision of in situ care on government preschool sites outside government preschool hours.

Under the *Disability Discrimination Act, 1992* (Cth) (DDA), it is unlawful for an early childhood service or a school age education and care provider to limit or refuse access to services because of a child's disability.

The provider must also make reasonable adjustments to accommodate a person with disability, unless making the adjustment would impose an unjustifiable hardship on the provider.<sup>282</sup>

The Disability Standards for Education 2005, established under the DDA, seek to ensure that students with disability can access and participate in education on the same basis as students without disability.<sup>283</sup>

A 2020 review of the Standards confirmed that they do not apply to child care providers. Nevertheless, there was strong support for improving educators' and providers' understanding of their responsibilities under the DDA.

Additionally, there was commitment to amend the Standards to include early childhood education and care, following consultation with the sector. ACECQA has developed a range of resources to promote service provider obligations under the DDA.

Responsibility for proposed changes to the Disability Standards for Education sits with the Commonwealth Government, and to date there has been no further advice regarding the progress of this work.

## Funding to support inclusion

The Commonwealth Government Inclusion Support Program (ISP) commenced in 2016 to support eligible early childhood education and care services, including OSHC services. The purpose of the ISP is to improve the capacity and capability of services to include children with additional needs, allowing them to participate with their typically developing peers.<sup>284</sup>

The ISP is the primary source of funding to assist children with disabilities to access an OSHC service. Services can apply for ISP funding through South Australia's Inclusion Agency, Gowrie SA. In this capacity, Gowrie SA also provides advice on inclusion support strategies for the child/ren attending the service.<sup>285</sup>

The Commission notes that the program is currently under review, with findings to inform two current federal inquiries: the Australian Consumer and Competition Commission inquiry and the Productivity Commission inquiry.<sup>286</sup>

The Commission has heard that OSHC services face two significant issues in relation to ISP funding.

### ***ISP is only provided to 'mainstream' education and care settings***

Children with disabilities who attend OSHC services offered in special schools are not eligible for ISP funding. OSHC providers cannot access ISP funding when all (or the majority) of the children attending the service have disabilities (that is, they are not being educated or cared for alongside their typically developing peers). This results in higher costs of care for some families.

South Australia has two OSHC services located on government special school sites: Adelaide North Special School and Modbury Special School. The fee schedule reflects the complexity and higher ratios of care per child and can be as high as \$200 for one after school session, much higher than average OSHC fees.<sup>287</sup>

Families are eligible for Child Care Subsidy to offset the cost of care; however, the rate is capped at a much lower rate, leaving large out-of-pocket expenses. Some families may be able to claim NDIS if access to care is approved in their child's plan. This, however, can be a lengthy process and is subject to pressure if costs change between plan reviews.

The Commission notes the recently released *What we have heard* report from the National Disability Insurance Scheme review.<sup>288</sup> In it, the Panel reflected the voices of families saying the needs of children and families are not being considered holistically, and there is a lack of family-centred practice.<sup>289</sup> This is consistent with what the Commission has heard from families with children with disability.

The Commission has heard that children accessing OSHC benefit from being in a familiar setting (where they may attend school) and from accessing a safe, specialised, purpose-built facility with appropriate equipment, outdoor play environments and resources. Additionally, staff who support children in the education setting during school time may be engaged to provide care during out of school hours, further supporting familiarity with care routines and practices. Onsite services reduce the need for transportation, ensure streamlined transitions and provide opportunities for children to continue working with familiar staff, increasing parent confidence.



### ***ISP funding does not fund one-to-one support***

ISP explicitly excludes funding one-to-one support for a specific child.<sup>290</sup> However, there are some children who receive this high level of support within the classroom setting each day to ensure they are actively engaged with the learning program; to assist with transitioning between activities; to assist in managing challenging behaviour; and to meet health care support needs.

The same children then attend OSHC without the same levels of educator support in an environment that is less structured, has a broader age range of children and may operate from facilities that are not necessarily conducive to the child's particular needs (for example, from a school gymnasium).

### ***South Australian government Intervac program***

In addition to ISP funding, Intervac funding is provided by the Department for Education to OSHC services to offset the cost of employing an additional educator to support the inclusion of children with additional needs. While services are encouraged to use the additional funding to provide, where possible, an educator-to-child ratio of 1 educator to 3 children, it is recognised that some children will need higher levels of support to fully, and safely, participate in the program.<sup>291</sup>

The Commission understands that Intervac is designed to be an adjunct to the Commonwealth Government ISP and used as an interim source of funding support while an ISP application is being completed.

## Facilities

The same facilities used to support children's inclusion in school are not always available to OSHC services, increasing the need for dedicated educators to ensure adequate supervision and support for children is maintained.

Often the facilities that OSHC services operate from are not conducive to a child's particular needs; for example, services operating from a gymnasium may find it difficult to provide quiet withdrawal spaces to support children to regulate their emotional responses to events or interactions with others.

For some children with sensory-related disabilities, the noise and number of children within a particular area may itself lead to or trigger emotional responses that need to be supported carefully by educators. Services may not be located close to appropriate toilets with specialised equipment to support children's health care support needs and routines.

The sharing of spaces and facilities which may need to be set up each day with specialised equipment and resources can also be problematic. A general lack of fencing at some schools also makes it more challenging for educators to respond to children who may have an increased risk of leaving the site.

The Commission considers that one of the benefits of Recommendation 36, above, which involves supporting principals to take steps to improve arrangements for respectfully sharing spaces and incorporating the spatial needs of OSHC in school planning, is the improved inclusion of students in OSHC.

## Vacation Care at Adelaide North Special School

Members of the Royal Commission team were privileged to spend time with families of children with disability who attend the vacation care program which runs at the Adelaide North Special School. The program is operated by the YMCA during school holidays and provides children with additional needs the opportunity to participate in supervised recreation and excursions.

Ratios are high, which provides children with suitable levels of care, including personal care, medication management and other supports.

Families talked to us about how important access to vacation care and out of school hours care is for their children. It provides important social interactions, opportunities to engage in the wider community, a feeling of familiarity and routine and, as for many families, it enables parents to work knowing their children are safe and suitably cared for.

There is, however, no care available before or after school at Adelaide North, and many families engage additional carer support or other services such as family day care to provide the before or after school care they need.

OSHC at non-specialist schools is an option but can be difficult to access and navigate. We heard about instances where it was sought and, despite efforts from families and providers to make it possible, was unable to be offered.

Families are also aware of children with additional needs in disability programs in non specialist schools who are unable to access OSHC at their own school.

There is, however, a necessarily high cost to providing care at the ratios needed for children with additional needs. While the service is eligible for Child Care Subsidy, the high cost per hour over and above the subsidy cap makes it unaffordable for many unless they access NDIS funding to pay the full cost.

This brings with it another layer of complexity for families, who told us of the process to have their funding approved: seeking a quote from OSHC, applying for the NDIS plan to include OSHC and then advocating hard to have that application approved.

The complexity of finding, accessing, maintaining and funding vacation care and out of school hours care for children with complex additional needs is cumbersome and expensive, yet vital.

There are clear issues of affordability, navigating the NDIS and accessibility in OSHC for children with complex additional needs.

The Royal Commission extends its sincere thanks to the families who took time out of their day to talk to our team as well as Adelaide North Special School Principal, Mr Cam Wright, and YMCA OSHC Director, Ms Belinda Hill. The time, insight and fierce advocacy for their children was invaluable to the Commission.

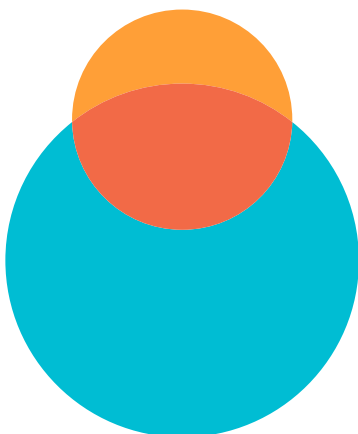
## Victorian High Intensity OSHC Initiative<sup>292</sup>

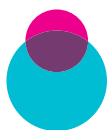
The Commission notes with interest the Victorian Government's High Intensity OSHC Initiative, which provides free OSHC services to children and young people with disabilities at six schools across the state.

The initiative delivers after school and holiday programs, with funding available for providers to purchase specialised resources and deliver professional learning and training to educators.

An evaluation of the program has found that inclusive OSHC provided benefits to participating children and young people, their families, their schools and the community.

Given the feedback from families at the Adelaide North Special School, the Commission has recommended that the State Government consider this initiative, with a view to improving access to OSHC for children in special schools within a three-year timeframe.





## Same child, same site—the importance of partnerships between the school and OSHC service

Services report that the current workforce shortages have led to an increase of educators in OSHC with limited levels of experience, skills and confidence in managing complex behaviours and health care needs.<sup>293</sup>

The Department for Education provides centralised, specialist support to children and young people with additional needs through Student Support Services. These professionals support school by engaging in planning and providing of professional learning for targeted interventions or management strategies. A consistent approach to considering a child's needs throughout the entire day is best practice but is not always implemented. While the Commission understands there is no policy barrier to schools, explicit consideration of OSHC is not expressly outlined as good practice for specialist support services.

Where a child attends OSHC, school staff and specialist experts, such as Student Support Services, should actively engage with OSHC educators in planning for a child's inclusion on site. A child's particular needs do not disappear after the bell rings.

This would enable consistent inclusion strategies to be used across the entire site for the entire school day, ensure that OSHC educators have the necessary information to effectively support a child's participation in OSHC, and promote communication between the service and school during transition times.

# Preschool out of hours care

## Findings

The expansion of preschool to three-year-olds increases the urgency of improving the family friendly operation of government preschools to support more flexible hours of operation.

Optimally, children needing care outside government preschool hours should be able to stay in the location where they receive preschool, supported by familiar educators.

School-based OSHC services will not usually be an appropriate solution to providing OSHC for three-year-old children attending preschool.

Existing services including long day care and family day care provide an alternative for some families to access care outside government preschool hours.

The challenge of ensuring quality and consistency of OSHC provision in governing council run services is exacerbated in government preschools. Preschool management committee provision of OSHC is not a preferred option.

While a service might be configured as OSHC for preschool children, it is important to recognise that the relevant staffing ratios and qualifications do not change from those in early childhood education and care settings such as preschool and long day care.

Child Care Subsidy arrangements do not reflect the specific needs of the South Australian community, noting the particular role and importance of government-run sessional preschools in South Australia.

Royal Commission modelling, published in the Interim Report, suggests that if the Commonwealth provided Child Care Subsidy to the same proportion of four-year-olds in South Australia as it does in New South Wales and Queensland, the South Australian Government could reduce expenditure on preschool by \$35.5 million per annum.

## Recommendation 43

### Find the right model for preschool OSHC, or 'wrap around care', on government preschool sites

That the State Government trials and evaluates a range of three and four year old preschool OSHC delivery models on government preschool sites, with a view to finalising models to be rolled out progressively across government preschools from 2025.

This trial should include different communities and service settings in 2024, including the Department for Education:

- operating preschool OSHC as the approved provider (similar to rural care)
- contracting for third-party provision of preschool OSHC
- supporting family day care 'in-venue' provision.

The evaluation should indicate to government:

- guidelines and considerations for establishing a preschool OSHC
- the additional supports required for preschool directors and staff to implement the model
- the advantages and disadvantages of different service delivery models in particular contexts
- regulatory amendments for consideration, such as the ACT model of permitting a diploma qualified lead educator, or some adjustments to the documentation of the educative planning cycle for consideration
- issues of viability.

## Recommendation 5

### **Actions for the Commonwealth Government**

That the Commonwealth Government:

- ensures the State Government has regularly updated access to Child Care Subsidy data to support system design and insight into system-wide participation
- extends changes to the Child Care Subsidy to enable all families to access up to three days a week of care without the need to meet any activity test
- considers adopting a needs-based funding model for early childhood education and care, in recognition of the additional costs of effective inclusion of disadvantaged cohorts
- considers introducing differential pricing in the Child Care Subsidy for younger children with higher educator-to-child ratios
- ensures families of those children accessing out of school hours care (OSHC) located on a special school site are not unfairly financially disadvantaged by the higher costs associated with the provision of care to children with complex needs and disability
- supports an increase in the pay of early childhood education and care educators.

That the Commonwealth Government promptly amends the Child Care Subsidy Minister's Rules 2017 to allow out of school hours services operating on government preschool sites to be eligible for the Child Care Subsidy.

This recommendation is made:

- noting that Royal Commission modelling suggests South Australia currently misses out on approximately \$35.5 million per annum in Child Care Subsidy because it directly provides government preschool
- in light of the commitment made by the Commonwealth on signing the Preschool Reform Agreement to progress this matter
- most importantly, recognising that this facilitates the optimal arrangement for many children—the provision of in situ care on government preschool sites outside government preschool hours.

In their response to the Commission's Interim Report, the State Government noted the challenges for working families in engaging in government preschool where there is not before or after preschool hours care.<sup>294</sup>

OSHC SA suggests there is strong support from families of government preschool children to access OSHC, primarily influenced by their ability to access OSHC places more easily than long day care places and the fact that OSHC is less expensive for families.<sup>295</sup>

Other respondents identified that the availability of long day care or the ability of preschool to fit in around a child's existing day care arrangements was important, and 129 responses stated that access to OSHC was important to them.<sup>296</sup>

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'I feel that it is not adequate that preschool services don't all offer OSHC options for families. My husband and I both work full time and the preschool that my daughters need to attend from next year doesn't have OSHC. This means that I will have to work part time just to drop off at 9:00 am. Considering I work as a teacher (where there is a state-wide teacher shortage), this is a shame! The hours are not conducive to working parents. If my husband is not provided some flexibility with pick up at 3:30pm ... he will have to consider leaving his job! The system should be set up to support working parents. The service she will attend is 9-3:30 and it's rare that these hours would fit full time working parents. The next two years will be exceptionally difficult for us as a result, both financially and in terms of work commitments.'

Source: Parent survey respondent

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‘The short days and lack of an OSHC preschool option created significant difficulties in accessing my local government preschool. My preference for a government provided preschool linked to my local primary school also meant my children were attending separate long day care and preschools at the same time.’

Source: Parent survey respondent

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As shown through the community survey, the current options for out of school hours care for families accessing government preschools are limited.

The Commission recognises that one configuration will not work in every different context and recommends that the State Government work with long day care and government preschools to trial and evaluate a range of three and four-year-old preschool OSHC delivery models on government preschool sites.

The following section provides an overview of the available service types, including their strengths and weaknesses.

## Government preschool children attending an existing school OSHC service

Submissions to the Royal Commission and stakeholder survey responses showed that some, but by no means all, OSHC services provide services to four-year-olds currently attending government preschool.

Data collected by OSHC SA indicated that less than half of the respondents offered OSHC to four-year-old children in government preschool.<sup>297</sup>

From considering many submissions to the Royal Commission, it would appear the decision to provide care for the younger cohort appears to be based on a number of factors:

- location of a preschool on the school site or adjacent to the OSHC service
- established handover or transport arrangements in place

- the potential of increased risks in caring for younger children
- existing service capacity and demand for primary school-age care
- availability of suitable educators
- budget associated with the additional cost of higher educator-to-child-ratio
- willingness and capacity of educators to develop a program based on two separate learning frameworks
- philosophical viewpoint that the primary purpose of the service was school-age care.<sup>298</sup>

Where services do provide care to preschool children, it is generally done within the following parameters:<sup>299</sup>

- Limits were placed on the number of preschool children being cared for at any one time.
- Some level of program separation was used to cater for the needs of the younger cohort of children.

It is important to note that this data and discussion relate to the provision of OSHC services to four-year-olds in government preschool attending school-based OSHC.

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‘Our school has a 120 place service which includes 10 places for preschool. The demand is significant with many families seeking enrolment with our school because of the OSHC service and the preschool availability.’

Source: OSHC survey respondent

‘We offer ten places to our preschool children. As the preschool runs two groups each week on different days, 20 preschool children can attend. Preschool benefits from enrolments primarily based on the fact that we can offer an OSHC service. These children often then enrol with the school and continue using the OSHC service.’

Source: OSHC survey respondent



.....

‘We operate a separate space for our juniors (preschool and foundation), so they are not so overwhelmed with the older children and noise. We offer a quiet space if they are tired. We tailor a different program to our younger students. Toileting is an issue. Even our four year olds are having regular toileting accidents or still in nappies and we don’t have purpose-built facilities. Two educators are required to deal with these instances, and this impacts our ratios with the other children.’

Source: OSHC survey respondent

‘Our current arrangement works well. The kids are walked over by the kindy teachers. They are given afternoon snack first before the older kids arrive. The only challenge is that there is a maximum number of preschool kids allowed each day due to the availability of kindy staff walking them over AND the lower ratio of kids to educators in OSHC limiting the number of kindy kids.’

Source: OSHC survey respondent

In addition to the noted constraints, when it came to considering the needs of three year olds, there were nearly unanimous views that expanding school-based OSHC was not optimal in terms of service delivery for such young children.<sup>300</sup>

Survey responses also included an overarching theme of concern about the health, safety and wellbeing of preschool children using an OSHC primarily designed to cater for the needs of school-age children. Concerns included:

- the preschool day is long, and children are too tired and hungry by the end of the day for a service to successfully support them
- the age and developmental appropriateness of the learning activities and experiences offered
- the play environment is noisy and disruptive and the behaviour of older children may be concerning for younger children
- whether there is adequate staff training, experience and knowledge around meeting the needs of preschool-age children
- that younger children would not be well supported due to the educator-to-child ratio and the number and age range of children in care, potentially resulting in younger children being exposed to bullying, violence, inappropriate language and behaviour.

In their submission, OSHC SA advised that providing three-year-old OSHC within a school OSHC service would not be considered best practice or a sustainable model given the concerns about child safety, wellbeing and learning. OSHC SA proposed that a special preschool OSHC model operating from preschools or early learning centres be considered instead.<sup>301</sup>

Similarly, both the Education Standards Board as regulator and a number of other stakeholders made submissions to the Commission about the ways existing school OSHC settings are not suitable for three-year old children. These relate to the different developmental needs of three-year-olds such as playground equipment; toileting requirements; sleep and rest needs; supervision needs; and lack of fencing.<sup>302</sup>

In this context, the Commission finds that school-based OSHC services will not usually be an appropriate solution to providing OSHC for three-year-old children attending preschool.

## Government preschool children provided out of hours care via long day care

From the survey responses and submissions, the Commission has also seen creative and successful localised solutions to providing care before and after preschool sessions, which exist because of the cooperation of preschools and long day care services.

The Commission notes, however, that recent amendments to the National Regulations relating to transporting children in vehicles place greater requirements on approved providers to ensure the safety and wellbeing of children. These include requirements to ensure a staff member (other than the driver) accounts for children as they get in or out of a vehicle at the service; records made about this accounting; records made of checks of vehicles after completion of service; and the notification requirements to the regulator. This may impact on the willingness of service providers to transport children to and from government preschool.<sup>303</sup>

The Early Learning and Care Council of Australia (ELACCA), in their submission, expressed the need to look to the existing long day care infrastructure as a preferred way to support the provision of care for preschool age children. They suggested this would be better achieved by the South Australian Government investing in free preschool in long day care and providing pay and conditions parity with government preschools.<sup>304</sup> The question of fees, as well as pay and conditions for teachers in long day care, is discussed in Part Two of this report.

The Commission notes that, under Recommendation 15, it is envisaged that three-year-old children attending long day care will receive their preschool in that setting.

‘For kindy/preschool I had to hunt around to find a childcare centre that would take my kids for the kindy year to kindy and then back to childcare so as to get around the work hours issue that I cannot do pickup from kindy at 3pm, and so the childcare centre taking them back to childcare works like OSHC and then we can pick up after work hours from childcare rather than at kindy finish time. This is an excellent initiative offered at my childcare centre to do the kindy pick up and drop off to preschool. Without this service my kids would have missed out on having their kindy year due to my work hours and not being able to do kindy pick ups.’

**Source: Parent survey respondent**

‘The half-day of learning some preschools do (on top of the 2 days) does not support working parents. Especially since many long day care services have stopped doing bus transfers and still require parents to pay for a full day of care just so the children can go there before and after preschool hours. It would be so much easier if preschools offered OSHC.’

**Source: Parent survey respondent**

## Government preschool children provided out of hours care via family day care

Family day care educators are qualified and approved to provide child care within their own home.

Many family day care educators collect and drop off children to and from preschool and school each day offering before and after school care as well as vacation care.

Some of the benefits of this model include educators being able to care for different aged children from the same family, consistency of care for children and families, and more flexible care arrangements outside normal business hours.

The Commission has also heard from parents at the Adelaide North Special School that family day care has supported OSHC access for children with disability who have previously been unable to use a school-based service.

In addition to provision by family day care providers in their homes, as noted in Part One of this report, there is also the opportunity for family day care educators to operate ‘in-venue care’ from a community facility.

Currently this requires approval from the regulatory authority as an exceptional circumstance.

The Commission’s view, however, is that family day care in-venue care is a model worthy of consideration for preschool OSHC arrangements, particularly in rural and remote areas.

There may be existing educators or prospective educators who do not wish to operate from their own home or whose home is not appropriate to be approved as a family day care residence (for example, they live on a farm without a suitably fenced yard) and are interested in operating an in-venue program from a local department preschool outside preschool hours.

This could be particularly appropriate or useful in small regional communities, where the travel distances between an educator’s house, the preschool and the family home may be significant.

## Establishing a new model of Preschool OSHC (POSHC) for children attending government preschools

The Commission has heard from stakeholders and families that, for those families seeking care outside traditional government preschool hours, a before and after preschool and vacation care model offered at a preschool site is preferable for children.<sup>305</sup>

The Preschool Directors Association have told the Commission that some services in the past have implemented an OSHC model or worked with a local OSHC provider to deliver onsite services.

However, the long-term success of these programs has been hindered by regulatory requirements, workload of leaders and limited take-up from families.<sup>306</sup>

(See the breakout box further below for a discussion of the different regulatory options and barriers for POSHC).

The Preschool Directors Association also expressed a desire to explore ways that preschool out of school hours care could be offered from a preschool setting, but they noted certain barriers would need to be addressed, including:

- increased workload of preschool leaders
- need for a separate governance structure, approved provider, service approval and employment arrangements
- workforce challenges
- financial viability due to low or fluctuating demand and utilisation
- operating two approved services alongside each other and sharing the facilities to meet children’s learning needs.

Key questions in relating to providing onsite government POSHC services are: Who would be the service provider? Who would be the contracting party?

The Commission notes that the challenges with government school governing council delivery models in primary school OSHC, identified earlier in this report, are exacerbated in a government preschool context.

This is both because the service is working with much younger children and there is much less continuity on governing councils in preschools, with children only attending for one or two years.

A management committee-led model would also add significant complexity to preschool directors, who are often operating without access to the same level of business/finance supports that school principals can access.

The Commission is of the view that these challenges are such that direct management committee provision of OSHC or management committee contracting of third-party providers of POSHC is not a preferred option.

The Education Standards Board has suggested that management could be by a preschool or a third-party provider, subject to service approval.<sup>307</sup>

In its consideration, the Commission has considered the following configurations of onsite provision of POSHC and summarises those for consideration and trial below.

	Government preschool management committee	Third-party provider	Department for Education
→ Service provider			
↓ Contracting party			
Government preschool management committee	Not preferred	Not preferred	(Not applicable)
Department for Education	(Not applicable)	For consideration and trial	For consideration and trial

**Table 8:** Configurations of onsite provision of preschool OSHC

The Commission notes that the Department for Education is already the approved provider of preschools, family day care and rural care services, which offer long day care, OSHC and preschool concurrently.

The Department for Education is therefore an appropriate provider of POSHC, with the Department able to be the single employer of staff who could work across both program types.

While this is likely to be a more expensive option than third-party provision (noting staff would be employed according to Department for Education conditions), some economies of scale could be achieved by centralising the management of Child Care Subsidy and fees in a similar way the Department already does for its family day care program and rural care service.

Similar to Recommendation 36 regarding school principals (recognition of the additional workload associated with delivering POSHC), a preschool director should be acknowledged through role classification, additional release time and additional administrative support.

Given that some OSHC services are already providing care to preschool-age children, establishing a separate OSHC for preschool may have a financial impact on existing OSHC services.

However, in view of the small number of preschool children accessing services and the current waitlists some services are experiencing, this is unlikely to be a significant impact for many. It may be more of an issue for small regional, rural and remote services. This should be carefully considered in the trial design and subsequent roll out of any solution.

## Regulatory requirements

There are two regulatory aspects to consider.

The first relates to the National Quality Framework, and the second, to the ability for services to comply with Child Care Subsidy requirements.

There are two main options for configuring the program to meet Child Care Subsidy requirements, discussed below.

No matter how a service is configured in relation to Child Care Subsidy (for example, whether it is an OSHC or a long day care service), the National Quality Framework elements relevant to preschool children apply.

This includes the lower ratios, higher staffing qualification requirements and the use of the Early Years Learning Framework (including documentation requirements) that are familiar in long day care settings.

The Education Standards Board suggest that, should OSHC be expanded to three and four year old children, consideration be given to the regulatory policy position on the qualifications required for educators in a POSHC setting.

They particularly note the current requirement for access to an early childhood teacher in centre-based services for preschool-age or younger children.<sup>308</sup>

The Education Standards Board further notes that in the preschool OSHC model being piloted in the ACT, a teacher is not required during the preschool OSHC hours, and only a lesser requirement for a diploma qualified educator exists.

The Commission endorses this position, noting that this service is only for before and after preschool, and that during the main proportion of the day the child will be supported in learning by an early childhood teacher.

The Commission also notes that recent initiatives allow OSHC services to undertake program-level assessment and planning cycles under the 'My Time, Our Place' approved learning framework. It considers that these might also be considered in relation to the use of the Early Years Learning Framework in OSHC settings.

### **Options for providing Child Care Subsidy approved out of preschool hours care on government preschool sites**

Access to Child Care Subsidy (CCS) is a key requirement in making the provision of POSHC affordable to families.

Currently, Commonwealth settings relating to the Child Care Subsidy act as a practical barrier to sessional preschools being able to deliver OSHC and offer Child Care Subsidy.

The Commission notes that this relates to structural inequity in the provision of Commonwealth funding for preschool-aged children, identified in the Interim Report, where states that are predominant providers of preschool are missing out on as much as \$226 million funding per annum.<sup>309</sup>

The Commission further notes that in securing South Australia's agreement to the Preschool Reform Agreement, the Commonwealth made undertakings to explore federal policy and legislative options to support the provision of wrap around child care at preschool sites in South Australia, thereby better meeting the needs of working families.<sup>310</sup>

The South Australian Department for Education advises that two primary options have been considered.

#### **Option One: Establish an OSHC service on government preschool sites**

An OSHC service is eligible for Child Care Subsidy provided that it operates at least seven weeks a year.

However, under the current Child Care Subsidy Minister's Rules 2017, it must primarily provide care to children who attend school, which excludes a service established for specific provision of preschool aged children.

The South Australian Department for Education advises that amendment of this definition is the preferred approach to progressing POSHC.

Note that the relevant provisions of the National Quality Framework for services to preschool-aged children apply, even though the service configuration is an OSHC service.

#### **Option Two: Establish a centre-based day care service on government preschool sites that is managed and operated separately from the preschool**

To be eligible for CCS, a centre-based service must primarily provide care. It must also operate for 48 weeks a year, although exemptions can be granted against that requirement.<sup>311</sup>

The Commission understands that for a preschool to meet the definition of a centre-based service as prescribed in the regulatory framework, it would need to provide at least as many hours of care as the preschool, which is unlikely to be the case.

Government preschools only operate for 40 weeks per year and are unlikely to be able to deliver proportionately more child care than preschool.

A service that 'primarily provides an educational program to children in the year that is two years before Grade 1 of school (such as a preschool or kindergarten)' cannot be approved to administer Child Care Subsidy under the Family Assistance Law.<sup>312</sup>

Services that provide both child care and preschool, such as early learning centres, can be approved as long as preschool is not their primary service provided; that is, they proportionately provide more child care than preschool.

A separate service approval for the child care component would need to be sought for each preschool, as well as exemptions from the requisite operating weeks per year. This will be administratively burdensome for the provider.

#### **The Commission's preferred position**

The Commission's view is that an amendment to the Minister's Rules to support preschool only OSHC is the simplest pathway and does not require ongoing requests for exemption from the rules of weeks of operation for centre-based services.

# Benefits of Preschool out of hours care (POSHC) operated on site at a government preschool

## Improved access

- Not all school-based preschools have an onsite OSHC service, or those that do are reporting that they are capping numbers of preschool enrolments for four year olds.

survey responses show that there are concerns about the wellbeing of younger children in the school OSHC environment and delivery of a service within the preschool environment is likely to be viewed more favourably

## Suitable and developmentally appropriate facilities

- Secure facilities—fenced outdoor environments and locked access and exit points to the service
- Access to age-appropriate toilets, furniture, nappy changing facilities, and space to accommodate sleep and rest requirements
- Outdoor play spaces designed for younger children and reduced risk of injury and harm

## Learning

- Reduce the need for (school based) services to deliver a program based on two learning frameworks and undertake assessments of preschool-age children. The Education Standards Board advises that, currently, if an OSHC service is approved for four-year-old children, they must use both the Early Years Learning Framework and 'My Time, Our Place' in their programming.

## Child safety

- Eliminates risks associated with transitions, where children are moved from one setting to another, and the transportation of children to and from preschool and OSHC or long day care
- Facilities are designed to better support adequate supervision of younger children
- The Education Standards Board have already expressed concern about quality and safety for children offered by existing school-age OSHC services; placing younger children in dedicated facilities would mitigate this risk

## Educator-to-child ratios and qualification requirements

- OSHC SA, in their submission, suggested that the different ratio requirements for preschool-age children was a disincentive for services to provide care.
- Ensure children had access to appropriately qualified and experienced educators

## Cost

- As it is a new model, it is unclear what the take-up rate would be at each service.
- Utilisation is likely to fluctuate from year to year as different cohorts move in and out of the service every two years.

## Child wellbeing

- Reduces the number of transitions for children and offers continuity of care with familiar educators within a familiar setting, when early childhood workers are also employed in the POSHC setting
- Family perceptions as expressed through

# PART FOUR: THE OPERATIONS OF THE ROYAL COMMISSION

The Royal Commission into Early Childhood Education and Care was a pre-election commitment of the South Australian Government. It commenced on 16 October 2022 when the Governor, the Hon Frances Adamson AC, established the Commission and its terms of inquiry and appointed the Hon Julia Gillard AC as Royal Commissioner.

## How is this Royal Commission different?

Royal Commissions often inquire into a problem or look at when something has gone wrong.

This isn't the case for the Royal Commission into Early Childhood Education and Care—instead, this is an opportunity to propose new solutions.

This Royal Commission is not looking back at the problems of the past. It has heard expert evidence and the experiences and views of families to inform its advice to the State Government on delivering a high-quality early years system that is fit for the future.





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OCTOBER 2022

16th

Royal Commission established by Her Excellency, the Governor of South Australia, the Hon Frances Adamson AC

Community survey opened on Your Say  
Royal Commission website launched



NOVEMBER 2022

11th

Expert Advisory Group established

24th

Call for formal submissions  
Stakeholder roundtables for 3-year-old preschool and first 1000 days established



+

DECEMBER 2022

12th

Expert Advisory Group established



JANUARY 2023

25th & 27th

Public hearings

30th

Expert Advisory Group meeting

31st

Parent Forums



+

FEBRUARY 2023

1st

Stakeholder roundtables (3-year-old preschool and first 1000 days)



MARCH 2023

24th

Final call for final submissions

21st

Expert Advisory Group meeting

23rd

Stakeholder roundtables (OSHC & Vice Chancellors)

Stakeholder roundtables (3-year-old preschool and first 1000 days)

27th

Public Hearings



+

APRIL 2023

Public Hearings

Interim Report released



MAY 2023

16th

Expert Advisory Group meeting

18th

Stakeholder roundtables (3-year-old preschool and OSHC)

22nd

Stakeholder roundtable / Public Hearings

23rd

Public Hearings



+

JUNE 2023

Expert Advisory Group Meeting



JULY 2023



AUGUST 2023

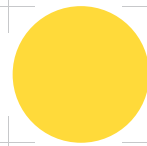
Final Report released



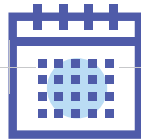


**58,000**  
*website hits*

**8**  
stakeholder  
roundtables  
conducted



**610**  
*newsletter  
subscribers*

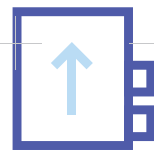


**6**  
*days  
of hearings*

**3**



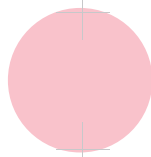
parent forums



**38**



witnesses



**164**

received  
submissions

## Overview of the Commission's evidence gathering

The Commission obtained evidence that has informed the findings and recommendations contained in this report in a number of ways:

- establishing an Expert Advisory Group which brought together a range of experts in early child development, public policy and mental health to advise the Commission on its lines of inquiry
- holding public hearings which brought a range of local, national and international academic and expert witnesses before the Commissioner, along with witnesses representing unions, early childhood education and care practitioners, and community lobbying groups
- issuing two calls for formal submissions on the Terms of Reference, supported by guiding questions
- convening stakeholder roundtables with providers and experts on the first 1000 days of life, three-year-old preschool (including workforce), out of school hours care and a special focused roundtable held in and focused on the northern suburbs of Adelaide
- conducting surveys via YourSAy to hear the wide views of parents, carers and organisations in relation to the early years, preschool and out of school hours care
- holding parent forums to hear from parents, carers and organisations in relation to young children, Aboriginal and Torres Strait Islander children, and children with disability
- conducting informal site visits by members of the Royal Commission team to see firsthand the important work in early childhood education and care happening across our community
- running stakeholder briefings on the Interim Report
- having discussions with the Department for Education, the Commonwealth Government Department for Education, the Education Standards Board, the Teachers Registration Board, and information subsequently received from those agencies.

All of this engagement has helped to shape and direct the inquiries, the findings and final recommendations of the Royal Commission.

## Expert Advisory Group

The Royal Commissioner was supported by an Expert Advisory Group comprising experts in child development, early childhood education, allied health and public policy.

The Expert Advisory Group played an important role in guiding and supporting the inquiry.

### Members

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Professor Sally Brinkman

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Dr Anne Glover AO

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Commissioner April Lawrie

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Associate Professor Leslie Loble AM

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Professor Brett McDermott

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Ms Lisa Paul AO PSM

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Dr Danielle Wood

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## Public hearings

The Royal Commission held six days of public hearings to hear evidence from local, national and international experts and the South Australian community. Hearings were convened by the Royal Commissioner and supported by Counsel Assisting.

All the public hearings were live streamed and recorded and, along with written transcripts, are available on the Commission's website.

The hearings were themed around building a picture of early childhood education and care, the impact of early childhood education and care on child development, data, research and innovation, accessibility of early childhood education and care, and workforce challenges.

A dedicated hearing on the experiences of services in northern Adelaide was also held.

A total of 38 witnesses appeared before the Royal Commission. Where witnesses provided a submission, these have been published online.

## Submissions

The Royal Commission issued two public calls for submissions, receiving over 160 submissions over the life of the Commission.

Submissions responded to guiding questions and the Commission's Interim Report and provided rich insight through case studies of innovation, best practice, data and high-quality ideas, views, opinions and past experiences.

## Notices to produce (summons)

Under the *Royal Commissions Act 1917*, the Royal Commission has the power to compel the production of information.

The Royal Commission issued 9 notices to produce to the Department for Education (SA), Department for Health and Wellbeing (SA), and BetterStart Health and Development Research.

Additionally, several agencies supplied the Royal Commission with information voluntarily. These included the Commonwealth Government Department of Education, the Teachers Registration Board (SA) and the Education Standards Board (SA).

## Stakeholder roundtables

The Royal Commission held eight stakeholder roundtable sessions, bringing together experts and service providers to discuss key issues.

The roundtables were themed against the Commission's Terms of Reference, with an additional roundtable focused on Adelaide's northern suburbs.

Roundtables considered:

- the role of early childhood education and care in supporting children, parents and carers in a child's first 1000 days
- the impacts of three-year-old preschool for South Australian children, families, educators and providers
- the opportunities to make out of school hours care more accessible for South Australian families and children to provide enriching experiences for children, and to support working families.
- the role of early childhood education and care in Adelaide's northern suburbs and other areas of deep disadvantage.

Participants contributed genuinely and respectfully in discussions that were, at times, challenging. The commitment of all participants to engage in these honest conversations is appreciated greatly by the Commission.

## Surveys

The Royal Commission conducted two surveys to receive feedback on two key topics via YourSAy.

The first survey was to ask parents, families and carers to have their say about their experiences with early childhood education and care. A summary of the key findings from that survey was published at Appendix 3 in the Interim Report.

The second topic was designed to hear the views of OSHC providers and staff about the challenges and opportunities with out of school hours care for primary aged and preschool aged children. A summary of the key findings from that survey is published on the Commission's website.

The Commission extends its warm thanks to all who took the time to engage with the surveys and provide their insight and experiences.

## Parent and carer forums

Three online forums were held on Tuesday 31 January 2023 with the Royal Commissioner to give parents and carers the opportunity to share their views and experiences of quality within the early childhood and education care system.

The forums were co-convened with Georgie Dent, the Parenthood, Kurna woman and early childhood educator Auntie Suzanne Russell, and Lynne Rutherford, Gowrie SA.

The insight and experiences that parents and services shared with the Commission during the forums were of great value, bringing the system to life by telling of the daily experiences of families and services.

## Practice guidelines

The Royal Commission issued practice guidelines that provided information about how the Commission would operate. These were published online and made available to relevant witnesses and stakeholders. They covered topics including formal submissions, stakeholder roundtables, witness participation in public hearings, and the conduct of direct meetings with the Commissioner.

These were important to ensure transparency of the operation of the Commission, providing all stakeholders with the same set of guidance around their engagement with the Commission and how their information would be used.

## Site visits

The Royal Commission visited a number of early childhood education and care sites in metropolitan Adelaide to meet with directors and staff and get a firsthand view of how they operate and support their children and communities.

The sites included Oceanview College Children's Centre, Blair Athol Children's Centre, Adelaide North Special School and Lefevre Community Childcare Centre.

The Commission thanks all those who took the time to host the Royal Commission team members and share their significant experience.

## Individual meetings

Throughout the life of the Commission, the Royal Commissioner and the Commission secretariat held a range of individual meetings with relevant stakeholders and organisations, including experts in the field, academics, interstate governments and data analysts.

These discussions added depth and value to the inquiries of the Commission.

## Commissioned pieces of work

The Royal Commission sought expert input into a number of elements of its inquiries. It is hoped that the work of experts endures in the public realm for governments and others to use as needed into the future.

The University of South Australia prepared a literature review and academic pulse survey, reviewing contemporary academic literature on the impacts of three-year-old preschool on child development and learning outcomes.

Deloitte Access Economics undertook a survey and mapping exercise of long day care and non-government preschool in South Australia. This involved surveying all long day care and non-government preschool providers (excluding government) and compiling a range of data sources to paint a picture of the non-government early childhood education and care sector in South Australia.

BetterStart compiled a risk prediction model for children who will go on to be developmentally vulnerable, using 23 routinely recorded administrative data points, most of which are known around birth. This was used as a foundation for understanding the provision of additional hours of preschool in the Interim and Final Reports.

Deloitte Access Economics developed a model capable of simulating a range of scenarios for delivering three-year-old preschool in South Australia, including an estimate of costs (capital and recurrent) and workforce. Supporting documentation, including the model specification and outputs from scenario modelling, is publicly available. The model itself was used to inform the Commission's recommendations and has been provided to the South Australian Government to inform their preparation for implementing three-year-old preschool.

Deloitte Access Economics has also undertaken a return-on-investment analysis of three year old preschool, comprising a literature review and econometric analysis of a range of data sources.

dandolopartners™ was engaged to facilitate a discussion with the roundtable on three year old preschool about growing the workforce to

support the delivery of quality preschool and early childhood education and care in South Australia. The work included a detailed overview of the challenges, levers and opportunities in attracting, retaining and supporting the early childhood education and care workforce.

Early Childhood Australia was engaged to develop a discussion paper that explored the factors impacting the quality and effectiveness of preschool across different delivery settings. The paper was prepared with input from experts across Australia and was tested and discussed with the roundtable on three-year-old preschool. The paper provides an analysis about how the components of quality might be configured to support equity of preschool access for all children.

The Centre for Policy Development prepared a history of Commonwealth investment in early childhood education and care to inform the discussion in this Final Report.

Dr Emiliano Carlevaro from the University of Adelaide undertook an econometric analysis of the impacts of new openings in the long day care market.

Two opinion pieces were also received for the Royal Commission's Interim Report. The vision for these was to show dramatically how science is rapidly evolving in ways that will support children. The opinion piece 'Perspective: Our Kids' was provided by Professor Melissa Wake of the Murdoch Children's Research Institute, and the second piece 'Children's cognitive development—A vision for the future' was provided by Dr Holly Baines of Wellcome Leap in the United Kingdom.

# Governance and decision-making

The Royal Commissioner was supported by a small secretariat, hosted by the Attorney General's Department of South Australia.

All decisions relevant to the inquiry were made by the Royal Commissioner.

Day-to-day decisions were made by the Executive Director and Director, as appropriate.

Decisions on procurement and expenditure were made in accordance with assigned financial delegations of the Executive Director as well as relevant State Government and host agency policies.

## Budget

The Royal Commission was delivered within its allocated budget of \$2.5 million.

The Commission wishes to acknowledge the Department of Treasury and Finance, the Department of Premier and Cabinet and the Department for Education, who seconded staff to the Commission for various purposes.

The Department of Treasury and Finance and the Department for Education also part funded the return-on-investment analysis undertaken by Deloitte Access Economics.

## Records management

All official records generated over the life of the Royal Commission remain with the host agency, the South Australian Attorney-General's Department. Records have been reviewed and filed according to the requirements of the *State Records Act 1997* (SA) and the associated guidelines issued in relation to State Government agencies in South Australia.



## Processing and publication of submissions

The submissions received by the Royal Commission were read, reviewed and considered by policy and legal staff assisting.

Any submissions that were submitted with consent to publish were uploaded to the Commission's public-facing website.

## Risk management business continuity and security

The Commission operated with a small secretariat and a flat structure that allowed for daily sharing of project priorities and risks. Business continuity was assured through the use of mobile technology and shared IT systems.

The host agency supported the Royal Commission to assess and manage security risks.

Location-specific risk assessments were conducted when the Commissioner was in places of higher risk.

## Concluding operations

Planning to conclude and decommission the Royal Commission started in 2023.

A comprehensive decommissioning plan ensured the project closure captured all necessary elements including records, accommodation, staff logistics, IT and assets.

The Commission's website contains a large volume of information that the Commission believes to be of enduring public value. The Royal Commissioner has asked the State Government to ensure the website content remains live and accessible while government responds to this Final Report and undertakes planning and implementation of recommended reforms up to and beyond 2026.

## Public communication

The Commission's website was launched on 16 October 2022 and has remained a key method of providing information to the community. As of July 2023, there have been almost 58,000 hits on the website.

An e-newsletter was distributed regularly and, as of July 2023, had 610 subscribers.

## Commission Secretariat

The secretariat supported the Royal Commissioner and provided day-to-day running of the Commission, including Counsel Assisting, policy analysis, data analysis, communications and secretariat functions.

The South Australian Attorney-General's Department was host agency to the Commission, providing ancillary support including office accommodation, IT hardware, systems and support, website hosting and communications support, and finance and procurement support.

### Royal Commission staff members

<b>Executive Director</b>	Caroline Croser-Barlow
<b>Director</b>	Belinda Marsden
<b>Counsel Assisting</b>	Sarah Attar
<b>Policy Officer</b>	Helen McPherson
<b>Policy Officer</b>	Ian Lamb
<b>Policy Officer</b>	Connie Blefari
<b>Senior Analyst</b>	Zovuyo Mazibuko
<b>Operations Manager</b>	Jessica Roberts
<b>Executive Assistant</b>	Lauren Whitburn

# Reports

## Interim Report

The Royal Commission released its Interim Report on 17 April 2023. The Interim Report focused on three-year-old preschool and made interim findings and recommendations only as they relate to that aspect of the inquiry.

The State Government and other stakeholders were invited to make submissions on the Interim Report, and these were used to test and refine the interim recommendations.

Briefings were held with key stakeholders after the release of the Interim Report.

## Final Report

This Final Report, discussing the breadth of the Commission's Terms of Inquiry, was provided to the Governor on 11 August 2023.

The South Australian Government will consider the recommendations of the Commission and respond once it has given due consideration.

# Conclusion

In accordance with the terms of reference, the Royal Commission presents this report, which contains 43 recommendations.

The Commission has focused on ensuring these recommendations will create a coherent and integrated approach if the State Government chooses to implement all of them.

However, the Commission recognises that governments inevitably have many competing demands in many portfolio areas. There is a limit to the amount of reform any government can undertake.

The Commission also understands that, as the State Government considers its response to this Royal Commission report, it will need to weigh up the fiscal impacts.

For three-year-old preschool delivery, the Commission has undertaken detailed cost modelling, and has provided a cost model to the State Government to allow them to inform their planning.

For recommendations with budget implications on topics other than three-year-old preschool, the Commission is not in a position to provide full and detailed costings. In part, that is because the cost of enacting a number of recommendations cannot be calculated without knowing the specific policy and implementation choices the State Government will make.

Other recommendations cannot be costed at this time because the quantum depends on factors outside of the State Government's control, such as Commonwealth policy. It should also be noted the Royal Commission does not have available to it all the expertise needed in the State Government budgeting process.

There are a number of recommendations which do not have a fiscal cost but will change State Government approaches and processes.

However, to assist the State Government in the prioritisation decisions it may need to make, the recommendations in this Final Report have been divided into two main categories:

- reforms that the State Government should do
- reforms that the State Government could consider doing in the future, depending on priorities, and the unfolding of events.

Ultimately, while it is the role of this Commission to recommend, it is the role of the State Government to decide, and the Commission hopes this prioritisation assists.

**Figure 23:**  
Prioritising the work  
arising from the  
Royal Commission's  
recommendations

### Reforms that the State Government should do

1	<b>A long-term ambition to help South Australia's children thrive</b>
2	<b>Legislating the Office for the Early Years to lead the early child development system</b>
3	<b>A new national settlement of roles and responsibilities in early childhood education and care</b>
4	<b>Legislation for a new universal child development data system</b>
6	<b>Investing in world-class evidence, and translation into practice</b>
7	<b>Improving the functioning of the Education Standards Board</b>
8	<b>Connecting services in the early years</b>
9	<b>State Government proactive role in identifying and resolving questions of child care and OSHC accessibility</b>
10	State Government actions to support child care accessibility
10a	A clear definition of the current role for State Government...
10b	Funding business cases for communities with no access
10c	...clear description of options for communities...
10d	Regular provision of supply and demand information by Infrastructure SA...
10e	...benchmark performance indicator of two years from identification of the need for a new facility in an area meeting a specified threshold of demand, to its successful establishment...
10f	Sharing existing government facilities...
10g	Governance and administrative support for volunteer committees...
10h	Support for innovative service models...
10i	Targeted strategies to support localised workforce development...
11	<b>Child development checks</b>
11a	...ensure a successful expansion of the system of universal child development checks, including both the frequency of the checks and the achievement of the maximum possible participation...
11b	...timeframe for connecting parents to early parenting groups is monitored and reported, with consideration given to an 'opt out' model...
12	<b>Giving parents information and supports for child development</b>
13	<b>Leveraging early childhood education and care in the first 1000 days to reduce developmental vulnerability</b>
13a	Designing the 'glue' to promote opportunities for sharing and learning about evidence-based approaches to successful inclusion, and enable developmental concerns identified in long day care, family day care or other services to be the subject of warm referrals to the right service provider...
13b	...ensuring there are linkages and exchanges between Child and Family Health Services (CaFHS), other development check providers, and early childhood education and services to share knowledge about emerging developmental trends...
13c	Closing the research translation gap by sponsoring on-demand, cost-free access to expertise on areas of particular interest...
13d	Free training for early childhood education and care services on the newly released National Guideline for supporting the learning, participation and wellbeing of autistic children and their families...
13e	Initiating formal processes to monitor participation and attendance of vulnerable cohorts...
13g	Sharing relevant knowledge, best practice and training materials in respect of inclusion with OSHC providers and staff...
13h	Facilitating community liaison programs for ongoing connection between early childhood education and care services and locally relevant cultural and linguistic groups...
14	<b>Strengthening the Aboriginal Community Controlled Organisation sector</b>
14a	...develop detailed implementation plans for commitments made under South Australia's Implementation Plan for the National Agreement on the Closing the Gap...

14b	...the State Government leverages its increased investment in preschool to strengthen the Aboriginal Community Controlled Organisation (ACCO) sector...
15	<b>Implementing universal three-year-old preschool</b>
16	<b>Implementing universal three-year-old preschool—local implementation teams</b>
17	<b>Implementing universal three and four-year-old preschool—supporting high quality teaching</b>
18	<b>Implementing universal three-year-old preschool—parent fees in different settings</b>
18a	...[seek] a national settlement of roles and responsibilities which has affordability issues, including for preschool, as the preserve of the Commonwealth...
18d	...targeted fee relief scheme should be available for disadvantaged families or families facing a sudden change in financial circumstances in all preschool settings...
18e	...review fee arrangements for government preschools for three and four-year-olds, to ensure that services are not disadvantaged by non-payment of fees...
19	<b>A new State Government funding model for preschool and integrated early years service delivery</b>
20	<b>Ensuring universal uptake of three and four-year-old preschool</b>
20a	...Support for indirect cost reduction, and community outreach...
20b	...annual reconciliation of enrolment data from all sources...
20c	...Department for Education review policy approach to re-directing enrolments in areas of socio-economic disadvantage...
21	<b>Investing to grow capacity in quality preschool settings</b>
22	<b>Establishing an Early Childhood Workforce Fund</b>
23	<b>Appointing an Early Childhood Workforce Coordinator General</b>
24	<b>Early childhood teacher—qualifications</b>
24a	...amend the Teachers Registration and Standards Regulations 2021 to allow teachers to be registered as early childhood teachers if they hold a degree certified by ACECQA...
25	<b>Additional hours of three and four-year-old preschool—short-to-medium term</b>
26	<b>Additional hours of three and four-year-old preschool—long term</b>
27	<b>Alternative learning models for three-year-olds in communities with very low rates of preschool enrolment</b>
28	Connecting children at child protection risk to early childhood education and care...State Government take an active role in connecting families of children at child protection risk to early childhood education and care
29	<b>Preschool outcomes measurement</b>
30	<b>A focus on improving services that are Working Towards the National Quality Standards</b>
31	<b>Implementing universal three and four-year-old preschool—the role of diploma qualified educators...</b> Government trials different configurations of early learning programs delivered by diploma qualified educators
32	<b>Aboriginal three-year-old preschool</b>
33	<b>Improving access to government school OSHC</b>
34	<b>Making space for government school OSHC</b>
35	<b>Modernising OSHC qualification requirements</b>
36	<b>Supporting principals to deliver sustainable government school OSHC</b>
37	<b>Ensure a fit for purpose regulatory approach to OSHC</b>

**Figure 23:**  
Prioritising the work arising from the Royal Commission's recommendations  
continued...

**Figure 23:**  
 Prioritising the work  
 arising from the  
 Royal Commission's  
 recommendations  
 continued...

38	<b>Change the approach to OSHC delivery on government sites— from governing council to third party provider led</b>
39	<b>Increase central Department for Education support for government OSHC provision</b>
40	<b>Planning and specialist support for inclusion at government school OSHC</b>
41	<b>Provision of OSHC at special schools</b>
42	<b>Partnering with the National Disability Insurance Agency</b>
43	<b>Find the right model for 'wrap around care' or 'preschool OSHC' on government preschool sites</b>

#### Reforms that the State Government could consider doing in the future

10	<b>State Government actions to support child care accessibility</b> ...direct provision or procurement of services in some circumstances... ...support for family day care educator establishment... ...provision of concessional financing... ...provision of capital funding... ...procurement of a provider for a new service...
13	<b>Leveraging early childhood education and care in the first 1000 days to reduce developmental vulnerability</b>
13f	...considering additional investments in building the capability of services to successfully include children with additional needs...
18	<b>Implementing universal three-year-old preschool—parent fees in different settings</b>
18b	...consider whether any form of broad fee relief for families accessing preschool other than in government preschools is appropriate...
18c	...ensure high income, high fee paying families do not benefit disproportionately...
24	<b>Early childhood teacher – qualifications</b>
24b	...consider commissioning an independent early childhood expert review comparing the ACECQA accreditation standards with the AITSL standards...
28	<b>Connecting children at child protection risk to early childhood education and care</b> ...developing referral pathways for children identified as being at risk... ...identifying appropriate early childhood education and care services for at-risk children in a particular area... ...progressively introducing funding for the costs of engagement, outreach and additional supports...







# Appendices



# Appendix 1:

## List of witnesses who appeared at public hearings

### January 2023— Understanding the evidence supporting preschool and how children are faring in South Australia

---

Professor Sally Brinkman

---

Catherine Cavouras

---

Gordon Combes

---

Associate Professor Brigid Jordan

---

Professor Sharon Goldfeld

---

Dr Hayley Guiney

---

Jane Lemon PSM

---

Dr Rhiannon Pilkington

---

Professor Iram Siraj OBE

---

Associate Professor Victoria Whittington

---

Professor Sandie Wong

### March 2023— Data, research and innovation

---

Kerry Beck

---

Professor Katina D'Onise

---

Katherine Hawkins

---

Professor Leslie Loble AM

---

Professor Mark Mon-Williams

---

Associate Professor Cathrine Neilsen-Hewett

---

Professor Andrew Whitehouse

### April 2023— Accessibility in Early Childhood Education and Care

---

Komala Champion

---

Angela Falkenberg

---

Katie Hughes

---

Associate Professor Peter Hurley

---

Kerry Leaver

---

Kirsten Wilks

---

Dr Danielle Wood

---

Stephanie Wurst

### May 2023— A view from the North; workforce challenges and solutions in Early Childhood Education and Care

---

Helen Gibbons

---

Sam Green

---

Jane Hunt

---

Professor Sue Irvine

---

Commissioner April Lawrie

---

Dr Jane Lomax-Smith

---

Professor John Lynch

---

Professor Anne-Marie Morgan

---

Professor Pablo Munguia

---

Tina Quitadamo

---

Dr Susie Raymond

---

Professor Deborah West

# Appendix 2: Roundtable members

## Northern Adelaide roundtable members

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The Hon Julia Gillard, Royal Commissioner

---

Sinead O'Brien, Northern Adelaide Local Health Network

---

Sam Green, City of Playford

---

Dr Rhiannon Pilkington, BetterStart, Adelaide University

---

Melanie Tate, Puddle Jumpers SA

---

Glennis Warrior, Department for Education

---

Paula Pittam, Goodstart

---

Jacqueline Lilley, Nido LDC

---

Lisa Downs, Stepping Stone SA

---

Peter Sandeman AM

---

Helen Connolly, Commissioner for Children and Young People

---

Jo Saunders, Adams Road Children's Centre

---

Lynda Forrest, Anglicare SA

---

Greg Pattinson, FoodBank

---

Sandy Pitcher, Department of Human Services

---

## First 1000 days roundtable members

---

Professor Katina D'Onise, Wellbeing SA

---

Jackie Bray, SA Department for Education

---

Merrilyn Hannaford, Family Day Care  
Educators Association (SA)

---

Fiona Margrie, Women's and Children's Health Network

---

Melanie Tate, Puddle Jumpers SA

---

Glennis Warrior, Department for Education

---

Carrie Johnson, Community Children's Centres SA

---

Sandy Pitcher, Department of Human Services

---

Lynne Rutherford, Gowrie SA

---

Tessa Kong, Australian Association for Infant Mental Health

---

Mandy Dempsey, Port Augusta Children's Centre

---

Greg Ward, Novita SA

---

Kerry Mahoney, Australian Childcare Alliance

---

Helen Graham, Autism SA

---

Craig Bradbrook, Playgroups SA

---

Professor Jon Jureidini, University of Adelaide, School of Medicine

---

Ross Womersley, SA Council of Social Services

---

Helen Gibbons, United Workers Union

---

Adriana Christopoulos, SA Multicultural Commission

---

David Coltman, TAFE SA

---

Jo Vlassco, Local Government Association

---

Judy Atkinson, Australian Childcare Alliance SA

---

Myra Geddes, Goodstart

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### 3-year-old preschool roundtable members

---

Lynne Rutherford, Gowrie SA

---

Kerry Leaver, Education Standards Board

---

Kerry Mahoney, Australian Childcare Alliance

---

Jackie Bray, SA Department for Education

---

Carrie Johnson, Community Children's Centres SA

---

Jo Vlassco, Local Government Association

---

Paula Pittam, Goodstart

---

Neil McGoran, Catholic Education SA

---

Associate Professor Victoria Whittington,  
University of South Australia

---

Libby Worrell, Association of Independent Schools SA

---

Professor Angela Scarino, Ministerial Advisory Committee,  
Multicultural Education & Languages Committee

---

Jan Murphy, Australian Education Union

---

Helen Gibbons, United Workers Union

---

Tim Oosterbaan, Independent Education Union

---

Kate Ryan, Preschool Directors Association

---

Judy Atkinson, Australian Childcare Alliance SA

---

Susan Jackson, Early Childhood Australia (SA)

---

Elizabeth Death, Early Learning and Care Council of Australia

---

Sarah Graham, Early Childhood Organisation (EChO)

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### Out-of-School-Hours-Care roundtable members

---

Alicia Flowers, Out of School Hours Care Association SA

---

Merrilyn Hannaford, Family Day Care Educators Association (SA)

---

Helen Gibbons, United Workers Union

---

Angela Falkenberg, SA Primary Principals Association

---

Libby Worrell, Association of Independent Schools SA

---

Kate Ryan, Preschool Directors Association

---

Kathryn Bruggeman, SA Department for Education

---

Ian Lamb, SA Department for Education

---

Chris Roberts, SA Area School Leaders Association

---

Kerry Leaver, Education Standards Board

---

Judith Bundy, SA Association of School Parent Communities

---

Komala Champion, YMCA

---

Chelsea Daly, Camp Australia

---

Nicholas Smith, Happy Haven

---

Tracey Aberle, SA School Business Association

---

Brian Schumacher, Catholic Education SA

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# Appendix 3: Acknowledgements

The Royal Commission thanks the following organisations and stakeholders who have provided particular support and assistance during its inquiries.

Dr Rhiannon Pilkington and Professor John Lynch, BetterStart Group, University of Adelaide

Professor Sally Brinkman, University of South Australia

Professor Ragan Petrie, Texas A&M University

Professor Marco Castillo, Texas A&M University

Professor Melissa Wake, Gen V

Dr Holly Baines at Wellcome 1kd

Associate Professor Brigid Jordan, The University of Melbourne

Emeritus Associate Professor Gordon Cleveland, University of Toronto

Associate Professor Peter Hurley, Mitchell Institute

Professor David Lloyd, University of South Australia

Professor Peter Hoj AC, University of Adelaide

Professor Colin Stirling, Flinders University

The Hon Ingrid Stitt MP, Victorian Minister for Early Childhood and Pre-Prep

The Hon Jay Weatherill, at Thrive by Five

Penny Dakin at Australian Research Alliance for Children and Youth

Catherine Liddle at SNAICC

The Hon Kate Ellis, Raising Literacy Australia

Social Ventures Australia, in particular, Caitlin Graham and Emma Sydenham

The Benevolent Society, in particular, Lin Hatfield Dodds

Dr Dan Cloney at the Australian Council of Education Research

Commonwealth Government Department of Education, in particular Tristan Reid, Mike Power and Anne Twyman for their support with access to data

Victorian Department of Education, in particular Kim Little and her team

New South Wales Department of Education, in particular the team leading the OSHC reforms

ACT Education Directorate, in particular the team leading the Preschool OSHC pilot

Education Standards Board, in particular for support with access to data

Teachers Registration Board, in particular for support with access to data

Office for the Early Years, in particular Michael Brougham and Jessica Winch

Department for Education (South Australia), in particular, Sam Luddy and team for support with access to data

The South Australian Departments of Treasury and Finance, Premier and Cabinet and the Attorney-General's Department for their institutional supports

Auntie Suzanne Russell

Stacey Fox, dandolopartners

Lynne Rutherford, Gowrie SA

Myra Geddes, Goodstart Early Learning

Laura Bills, Rachel Power, Christine Ma, Ben Lodewijks and Lachlan Smirl, with the broader team at Deloitte Access Economics

Sam Page and Dr Dan Leach-McGill, at Early Childhood Australia

Associate Professor Leslie Loble, and the team at Centre for Policy Development including Gabi Burman

Our colleagues at the many and varied inquiries concurrently underway, including the Australian Competition and Consumer Commission, Productivity Commission, and NSW Independent Pricing and Regulatory Tribunal

Blair Athol Children's Centre

Lefevre Community Childcare Centre

Oceanview Children's Centre

Adelaide North Special School

The City of Playford

The Stretton Centre



Endnotes





# Endnotes

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127. Dollar amounts expressed in 2023 dollars, unless otherwise stated.
128. More precisely, the Deloitte Access Economics cost modelling prepared for the Commission's Interim Report assumes that families are not able to choose government preschool for their three-year-old if their child is able to access a preschool program in their long day care or alternative early learning setting. The modelling specifications are available on the Royal Commission's website: Deloitte Access Economics – Modelling Specification ([royalcommissionecec.sa.gov.au](http://royalcommissionecec.sa.gov.au)) Deloitte Access Economics – Model Specification document ([royalcommissionecec.sa.gov.au](http://royalcommissionecec.sa.gov.au))
129. Submissions: Australian Education Union (2023); Preschool Directors Association (May 2023).
130. Submissions: State Government (Interim Report) (May 2023), p 6; Preschool Directors Association (May 2023), p 6.
131. Note that services without a fully qualified teacher on site are unable to offer a funded preschool program.
132. Submissions: Goodstart Early Learning (May 2023); Early Learning and Care Council of Australia (May 2023).
133. Stakeholder roundtable with the Royal Commission (1/2/2023). Submission: Australian Childcare Alliance (2023).
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135. The purpose of a Statistical Area 2 (SA2) is to represent a community that interacts together socially and economically. SA2s generally have a population between 3,000 and 25,000, with an average of about 10,000 people.
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148. Teachers Registration and Standards Regulations 2021, Regulation 5: For the purposes of the definition of prescribed accreditation standards in s19A(4) of the Act, the Accreditation of initial teacher education programs in Australia – Standards and Procedures published by Education Services Australia is prescribed.
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