



Universal Pre-Kindergarten submission
Early Childhood Education Directorate
NSW Department of Education
Locked Bag 5107
Parramatta, NSW 2124

To whom it may concern,

Thank you for the opportunity to provide feedback to inform the work of introducing a new universal pre-Kindergarten year in the year before primary school.

The NSW Small Business Commissioner (the Commission) is an independent statutory office of the NSW Government. It provides strategic advice, advocacy and affordable dispute resolution services across NSW.

Small businesses are a significant component of the early childhood education (ECE) sector and deliver care and education to children in the year before primary school, including through pre-school programs.

The ECE sector is experiencing systemic challenges which if unaddressed, will create significant barriers to delivering universal pre-kindergarten.

In a recent consultation with the ECE sector, the Commission found that providers are experiencing regulatory, staffing and other business challenges. The Commission has released a report that summarises the consultation feedback and identifies opportunities to improve outcomes for providers.

I have attached a copy of this report, *Stakeholder consultation: Small business experiences in the early childhood education and care sector (Stakeholder consultation report)*. This report recommends options to improve systemic challenges in the ECE sector, which should be considered as part of the work to inform the design of a universal pre-Kindergarten year in the year before school.

I have also provided responses to the submission questions below and included page references to the *Stakeholder consultation report* where relevant.

What features or components must a future universal pre-Kindergarten year include?

Universal pre-Kindergarten must include a mixed-service model, where funding arrangements or programs deliver a fair competitive environment between not-for-profit, community and government services, and for-profit small businesses.

Long day care is currently a core deliverer of preschool programs to children, and supports parents to work and study, as it generally operates from at least 8am until 6pm. In comparison, pre-schools and services on school sites generally operate from 9:00am until 3:30pm. Parents who have younger children, may also prefer to access pre-kindergarten at a long day care, compared to having a second drop off at a pre-kindergarten service at a school site. Funding arrangements need to support parents to choose a pre-Kindergarten service that has open hours and a location that best meets their needs.

Similarly, efforts to meet the needs of Aboriginal and Torres Strait Islander children and their communities, children from multicultural backgrounds and children with disability. Initiatives should consider and leverage the capacity of local, often small business providers, to offer tailored services that meet the needs of these communities.

What are the challenges or barriers that may stop us from achieving the goal of a universal pre-kindergarten year for every child in NSW?

If left unaddressed, challenges in attracting a qualified workforce, meeting additional NSW staffing requirements and regulatory processes for establishing new services will be barriers to the goal of universal pre-kindergarten.

Staff shortages (see p. 18)

The National Skills Commission reported that in June 2022 in NSW, there were 790 job vacancies for early childhood teachers and 1,418 job vacancies for child carers in June 2022.¹ In NSW, service waivers relating to staffing requirements are issued to 8.8 per cent of providers.²

During the Commission's consultation, stakeholders reported that skills shortages can be driven by factors which reduce the appeal of the sector and cause qualified professionals to leave the sector. These factors include:

- Perceptions of low pay and conditions, particularly relative to qualification requirements.
- Rigorous regulation and assessment requirements, which place a high administrative burden on educators.
- Impacts of COVID-19, including impacts of staff stress and burn out.
- Barriers to individual services delivering innovation to improve workforce supply, due to regulatory and training requirements.
- Additional NSW staffing requirements that are more resource intensive than national standards (see discussion below).

Additional NSW staffing requirements (see p. 13)

NSW applies state-specific provisions to long day care and pre-schools that are more resource intensive than the national standards. NSW requires more educators to children for children aged three to six and has higher early childhood education teacher requirements.

These additional requirements are impacting the affordability and availability of early childhood education and care in NSW. The persistence of higher staff-ratio requirements are likely exacerbate contemporary workforce challenges which may contribute a capacity constraint impeding the roll-out of universal pre-Kindergarten.

Regulatory processes for establishing new services (see p. 21)

Regulatory processes for establishing new services are currently numerous, involve different tiers of government and government agencies, and are not well coordinated. This increases the time, effort and cost of establishing new services.

To assist in establishing new pre-kindergarten services, the Commission suggests developing a single, customer-centric, application process to support centres in meeting NSW Government and local government requirements. This approach could be modelled off the Easy to do Business initiative, which

¹ National Skills Commission. (2022). 'Internet Vacancy Index'. Available at: <https://www.nationalskillscommission.gov.au/topics/internet-vacancy-index>

² Figure at 1 July 2022. ACECQA. (2022). 'NQF Snapshot: Waivers'. Available at: <https://snapshots.acecqa.gov.au/Snapshot/waivers.html>

has previously improved the application process for establishing cafes, restaurants, and small bars by creating a single digital application process, with targeted support provided by the Service NSW for Business concierge. A similar approach could be taken to coordinate with Federal requirements.

What great ideas or opportunities already exist which we should be aware of?

In the Report, the Commission has identified 14 recommendations to improve the experience of small businesses in the ECE sector. These recommendations address challenges and barriers that will also hinder the achievement of universal pre-kindergarten in NSW.

How would you like to be involved in the design, testing and delivery of a future universal pre-Kindergarten year?

As the NSW advocate for small businesses, I encourage consultation with the sector's small businesses as they are a key contributor to the supply of early childhood education and care in NSW.

Thank you for the opportunity to make a submission. If you require further information, please contact Megan Bennett, at either megan.bennett@smallbusiness.nsw.gov.au or (02) 9372 8767.

Yours sincerely

Chris Lamont
Commissioner
NSW Small Business Commission

Date: 21/10/22