



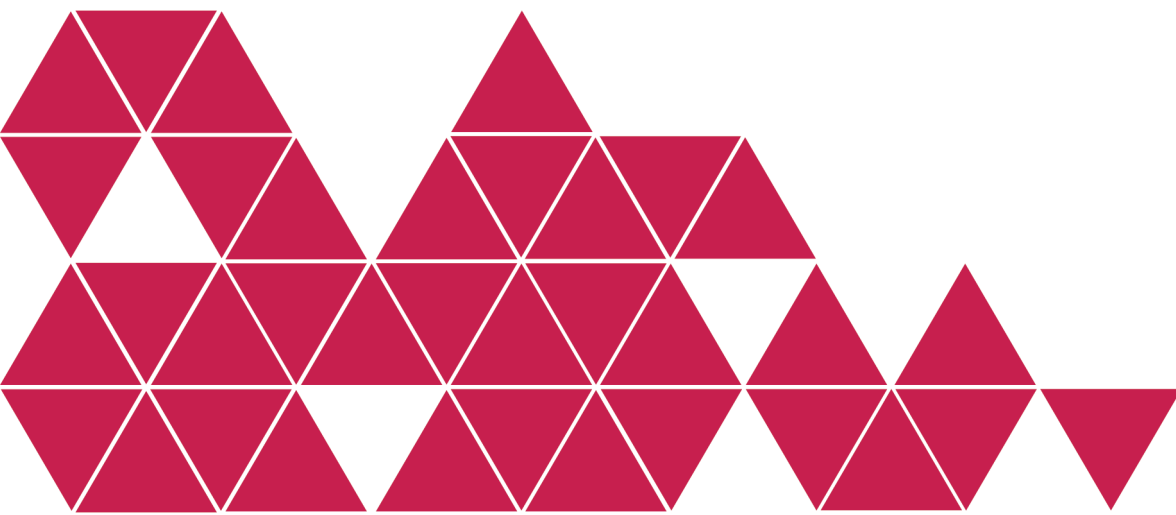
Australian Childcare Alliance
Queensland

**An election manifesto
presented by
Australian Childcare Alliance Queensland**

What Queensland parents want What our children need

#BestStartInLife

April 2020



Contents

What Queensland parents want. What our children need	3
Forward.....	3
Policy recommendation #1	5
Ensure KindyLinQ includes all early learning (centre based, long day care) services.....	5
The Issue	5
Deliver double benefits.....	6
Risk of stigmatisation	6
Benefit to Queensland children and families	6
Benefit to taxpayers	7
More cost-neutral benefits if funds redirected to families.....	7
Policy recommendation #2	8
State Government to fund any potential Commonwealth shortfall re: Universal Access (QKFS) funding	8
The Issue.....	8
Benefit to children and their families.....	9
Benefit to taxpayers	10
Policy recommendation #3	10
State Government to commit to ‘location rules/demonstratable need’ for ECEC services.....	10
The Issue.....	11
Benefit to children and their families.....	11
Benefit to taxpayers	12
Policy recommendation #4	12
Permanent payroll tax relief.....	12
The Issue.....	12
Benefit to families.....	13
Benefit to taxpayers	13
Conclusion.....	14

What Queensland parents want. What our children need

Forward

Right now, Queensland parents are worried. They are worried about the health and safety of their children and themselves. They are worried about the economy. They are worried about the communities in which they live.

They are deeply worried about the future.

We share those concerns. Queensland early learning (childcare) service providers, educators, and the more than 300,000 children who they educate and care for are on the frontline of this global health and economic crisis.

We know that our member services are doing all they can to keep the children in their education and care safe and calm whilst they continue to learn and develop. Unlike those in schools, our educators cannot work remotely. About a third of our parents work in healthcare and emergency services. We need early learning (childcare) services to remain strong and sustainable. The Queensland economy depends on it. We strongly advocated for the Federal Government's \$1.6b rescue package. Whilst this is still an ongoing issue to strike the right balance to maintain child and educator safety and service viability, this election manifesto looks beyond the current crisis to build a stronger future for our families, the communities in which they live and the economy of the state.

For many vulnerable and disadvantaged Queensland children, early learning (childcare) services will always provide a vitally important nurturing environment to protect them and help them to thrive. Never before has this been more important.

Our policy manifesto is aimed at giving Queensland families hope. Hope that regardless of what happens with COVID-19, their children can continue to access our world-class early learning (childcare) services. Hope that the Government will empower parents to choose which quality early learning (childcare) service they want their child to attend.

Affordable and equitable access to high quality early learning (childcare) is the cornerstone of this policy manifesto. The pandemic has triggered a global health crisis, collapsed economies, fractured communities and disconnected families. But it has also pulled back the curtain on how safe and secure our early learning (childcare) services are and how the continuity of early learning is the absolute bedrock of the Queensland economy.

Our families want to prioritise the educational needs of their children and to remind you that the early years are the most critically important.

Queensland families need our member services to be able to withstand the current economic ill winds. And it is not just our families who need this reassurance.

Queensland has the most developmentally vulnerable children in all of Australia¹. This is not acceptable. We know we can turn that around if these children can be nurtured by our educators. Right now, it is a sad fact that too many children are safer in our services than in their own homes. We need to ensure they do not fall through the cracks again.

There is a reason more Queensland parents (61%) choose for their child to undertake their kindergarten/preschool program (the year before school) in a centre based, long day care early learning service.²

Our families expect all parties to commit to policies that reflect this preference.

We know they want to see the Government's funding for kindergarten/preschool for three-year-olds (two years before school) to be extended to centre based, long day care early learning services.

We know our families expect the Queensland Government to step up to ensure there is ongoing funding (currently Universal Access) for Kindergarten/Preschool for their four-year-olds in our ECEC services beyond 2021.

These parents want their child to have the best start in life.

On their behalf, we commit **What Queensland parents want. What our children need** to be adopted as a pre-election commitment.

Warm regards

Majella Fitzsimmons

President



¹ Queensland ECEC programs facts and figures Nov 2019

² Queensland ECEC programs facts and figures Nov 2019

Policy recommendation #1

Ensure KindyLinQ includes all early learning (centre based, long day care) services

Whilst ACA Qld applauds the State Government's recognition of the importance of quality early learning for three-year-olds (two years before school); all Queensland children must be treated equally, regardless of where they live, what their socioeconomic circumstances are and what type of early childhood education and care (ECEC) service meets the needs of their family.

The Issue

Over 62% of three-year-old Queensland children attend a quality early learning (childcare) centre³. However, early learning (centre based, long day care) services are not funded under the KindyLinQ program, narrowing options for parents and potentially creating a discriminatory divide between vulnerable and disadvantaged children and their peers.

The current pilot design potentially excludes and discriminates against families in which a parent works, studies or where a parent is a carer, as KindyLinQ requires parents to attend the school setting and stay with their child.

While we understand and appreciate why a parent/guardian is required to be in attendance in the current KindLinQ environment, it is not sustainable due to the lack of age/developmentally appropriate educators and equipment including toileting facilities.

Extending KindyLinQ (and any other similar funding programs) to include all ECEC services would allow all Queensland parents, including the most vulnerable and disadvantaged, to choose the type of service that is most suitable and convenient to their children and family.

Queensland has a higher rate of developmentally vulnerable children than the national level.⁴ We know the early years are crucial for the healthy development of a child, and a person's life successes, health and emotional wellbeing are dependent upon development during these years.

Funding that supports these children to have the best start in life is essential, but it is also vital that all young children be treated equally.

KindyLinQ must include all types of ECEC services. We know we can demonstrate the value we can deliver to our most vulnerable and disadvantaged if included in an evidence-based trial. But notwithstanding this, how can any pilot be truly independent and evidence-based if it does not compare the attendance and performance of children across all ECEC services?

³ Final report 2020 3A Early childhood education and care data tables – Table 3A.19 Children aged 3-6 years enrolled in a preschool/kindergarten program

⁴ <https://www.aedc.gov.au/data/data-explorer>

Deliver double benefits

With the vast majority of Queensland three-year-olds already attending an early learning service, building on this utilisation would serve the dual purpose of:

- improving attendance for as many three-year-olds as possible which in turn will have the added benefit of increased enrolment/attendance for four-year-olds; and
- ensuring that the “targeted” group have access to the same age and developmentally appropriate programs as their peers.

Risk of stigmatisation

The current pilot design may lead to two tiers of young children: those at risk of being stigmatised because they are isolated at a school-based program for those deemed ‘disadvantaged’, whilst all other three-year-olds attend regular early learning (childcare) services.

This specifically targeted cohort of children should be integrated with their more advantaged peers and provided affordable access to the same world-class early learning environment.

More broadly, this discriminating pilot may have other unintended financial impacts on Queensland families.

Many Queensland ECEC services are struggling to cope with the economic shocks, delivered by COVID-19. Now is the time for policy levers that support our families, and the services their children attend, rather than add further unnecessary stress to the sector.

There is a risk that if the Queensland early learning (childcare) sector was to lose three-year-olds, and their families, to the formal school system, remaining families may face a potential significant increase in fees, as providers (both community and private) struggle to ensure services remain efficient and financially sustainable. This outcome is made even more likely given the financial impact of COVID-19 will be reverberating for years to come.

This inequity will further exacerbate the oversupply crisis facing the whole Queensland ECEC sector, again leading to the unintended consequence of increased pressure on costs to all families.

Benefit to Queensland children and families

Our recommendation allows all Queensland children to have consistent and affordable access to the same early childhood teachers and educators without disruptive change to their daily routines and without the potential stigma of attending a setting only for those deemed ‘vulnerable and disadvantaged’.

Providing KindyLinQ in established age/developmentally appropriate environments means that parents and carers will not be forced to attend with their child for the entire duration (6 hours a week) of attendance. It also saves any disruption to the families’ work or study commitments, therefore increasing workforce participation.

Three-year-olds can remain in an established early learning (centre based, long day care) service that is relevant to their specific and customised developmental needs and will prevent them from coming into contact with much older children, at times including teenagers.

If the KindyLinQ program was delivered, where possible, through existing early learning (childcare) services, this would help remove the barrier of affordability for the families that the program is intending to target. Existing funding could be redirected to offset the out of pocket “gap fees” of this targeted cohort of children/families. Families currently attract up to 85% Child Care Subsidy, therefore, the out of pocket “gap fees” of 15% would be inclusive of additional inclusions, for example, food, transport and so on.

Benefit to taxpayers

By including all early learning (centre based, long day care) services in the KindyLinQ program, taxpayers will not be forced to pay for the duplication of expensive infrastructure and funding of additional early childhood teachers/educators where there is already a shortage and when an existing quality infrastructure is already in place.

Furthermore, the ECEC sector is experiencing an oversupply of early learning services in Queensland and a critical shortage of suitably qualified early childhood teachers/educators, in particular in regional Queensland.

More cost-neutral benefits if funds redirected to families

There would be a cost benefit to taxpayers if the Government was to redirect its existing annual \$2.2M (for KindyLinQ) to ‘close the gap’ for families with a combined income threshold of \$68,163 and below who currently have access to 12 hours of subsidised (Child Care Subsidy) care. These families face, on average, an out-of-pocket expense of approximately \$15 a day.

That out of pocket “gap fees” expense could be covered for the children in an existing early learning (centre based, long day care) service. This cost-neutral initiative would potentially help substantially more families than the current KindyLinQ program. KindyLinQ is currently supporting just under 250, three-year-old children. If redirected to fund children in existing early learning (centre based, long day care) services, the evidence suggests that this number could be in excess of 3500⁵.

It will deliver a substantial saving for struggling families whilst allowing the parent/guardian to work or study or care for other family members. The child will also reap the additional benefits, for example, freshly prepared meals and developmentally appropriate learning with children the same age.

⁵ KindyLinQ budget \$2.2M divided by \$15 (Approximate \$100 average daily /session fee minus 85% CCS) = 146,687 days/sessions. 146,687 days/sessions divided by 40 weeks a year = 3,666 children having access to an early learning service one day/session per week.

Policy recommendation #2

State Government to fund any potential Commonwealth shortfall re: Universal Access (QKFS) funding

More than 90% of Queensland children are now participating in Kindergarten/Preschool in the year before school – when they are four years old. This is a remarkable achievement, given the participation rate was 29%⁶ before the National Partnership on Universal Access began in 2009. The Commonwealth Government and the Queensland Government are both congratulated for such an important collaboration.

However, the educational future of the next generation of four-year-olds is now at risk.

The Morrison Government recently committed to funding universal access for all children to attend 15 hours of Kindergarten (the year before school) **until the end of 2021**⁷. Whilst this is appreciated, it still requires a longer funding commitment.

Queensland families need reassurance that the next State Government will commit to the continuation of Kindergarten funding for all four-year-olds, not only provide funding for vulnerable and disadvantaged families.

A review, commissioned by the Council of Australian Governments, has reportedly recommended the Government commit to funding Kindergartens/Preschools in a five-year block to provide certainty to the sector, amid warnings any reduction in federal funds would trigger "immediate and longer-term consequences".

If we can't secure long term certainty; Queensland parents, providers and taxpayers will be saddled with a system compromised by inefficiency and high staff turnover

Queensland parents need to know that their State Government will support all four-year-old children to have access to a quality Kindergarten/Preschool program regardless of the type of ECEC service that they are currently enrolled in.

Without such funding certainty, families out of pocket "gap fees" may rise by over ⁸\$40 per week.

The Issue

The lack of certainty around the current funding model – even with a 12-month extension - is creating unnecessary insecurity and concern into the ECEC sector for families, educators and providers alike. Although the current National Partnership/Universal access funds the Queensland Kindergarten Funding Scheme, families do not distinguish between State/Federal levels of Government.

It is impossible for Queensland early learning (centre based, long day care) providers to offer long term employment contracts (beyond the next 18 months) placing unnecessary strain on the retention capability of early childhood teachers/educators. This is also deeply unfair to our current

⁶ <https://earlychildhood.qld.gov.au/funding-and-support/grants-tenders-and-funding/optimising-outcomes-for-children>

⁷ <https://www.education.gov.au/news/preschool-funding-extended-2021>

⁸ <https://earlychildhood.qld.gov.au/fundingAndSupport/Documents/qkfs-base-subsidy-rates.PDF> LDC_ \$1705 pa divided by 40 weeks = \$42.625 per week

educators, many of whom have stayed in the centres despite the fears about their own welfare and whose own jobs were at risk.

Providers are also unable to offer Kindergarten places, from 2022 (and beyond) for families wanting their now two-year-olds to attend Kindergarten within early learning services.

Under immense financial pressure and with many under-employed, parents are expecting to make decisions about their children and their own workforce participation capacity now. Whilst parents have been relieved of paying any gaps in fees, they know this can't continue, but they need certainty about what the future support for their children looks like.

Our Queensland families are already facing too much uncertainty. If Universal Access (QKFS) funding ceases after 2021, our Queensland families would be forced to either withdraw their child from their high-quality service, losing that vital early learning preparation in the year before school or the families will face increased costs of about \$43 a week.⁹

At a time of deep and traumatic disruption and discombobulation to their daily lives, Queensland families, and children in particular, should not be forced to endure more unnecessary disruption and uncertainty.

We do not believe it is a choice our families should be forced to make when there is indisputable evidence of the life-long benefits of early learning for four-year-olds, and when there has never been a more important time for funding certainty for a sector that has demonstrated, beyond doubt, that is the bedrock of a deeply shaken economy.

Benefit to children and their families

Families know the State Government is committed to giving all our children a great start in life by committing to extend the funding for all four-year-olds to access Kindergarten, which is aligned with its commitment to improve wellbeing prior to school for these children.

This commitment must be maintained for the next five years to provide that security for families and for early childhood teachers/educators across Queensland.

Families have a minimal expectation that the State Government will provide basic Kindergarten funding for their children and not wait, nor expect, the Commonwealth to continue with its Universal Access scheme.

Parents of children in Queensland are under immense pressure as it is. They need to know there is a commitment to ongoing funding for their future four-year-olds to access Kindergarten (for a minimum of 15 hours per week, 40 weeks per year), not left as an uncertainty from 2022.

It does not matter to parents, which tier of Government the support comes from. However, they do expect long term certainty, especially when there is substantial evidence of significant return on investment.

⁹ <https://earlychildhood.qld.gov.au/fundingAndSupport/Documents/qkfs-base-subsidy-rates.PDF> LDC \$1705 pa divided by 40 weeks

Benefit to taxpayers

The benefits of high-quality early childhood education and care are now well recognised and acknowledged locally and globally across the education sector.

There is an abundance of evidence¹⁰ from studies in Australia and internationally, demonstrating the significant advantages children gain from attending quality early learning services, which in turn flows on to their **family** and the **community** and the **national economy**.

Children who enjoy quality early learning are likely to be well socialised, confident, inquisitive about the world, accepting of diversity, resilient to manage challenges and also to be life-long learners, performing better later in formal learning settings.

New research¹¹ also indicates that investment in early childhood education results in stronger families and significantly contributes to upward mobility in the next generation—an indication that early childhood education can be an effective way to **break the cycle of poverty** and **reduce future government expenditure** on social services such as welfare benefits and mental health support services.

There are enormous gains resulting from government investment in high-quality early childhood education which should not be ignored.

We implore all parties and all tiers of Government to ensure all of Queensland's children, now and for future generations to come, do not remain the most developmentally vulnerable children in all of Australia.

Policy recommendation #3

State Government to commit to 'location rules/demonstratable need' for ECEC services

We know that even before COVID-19 threw Queensland a curveball economically and threatened to shatter the ECEC sector; early learning services were under immense financial strain because of oversupply.

ACA Qld believes that in the early learning sector there is a direct correlation between an oversupply of services and an increase in costs to families, taxpayers and to Government along with a potential decrease in the quality of education and care.

Early learning services should only be made available where needed, as part of good local community planning to allow for better access at a price that facilitates participation by all families, strengthens the local community and allows for sustainable, high-quality services.

¹⁰ Academic Research: The benefits of early learning and a play-based learning environment - <https://beststartinlife.org.au/resources/>

¹¹ Perry Preschool: Intergenerational Effects Toolkit, The Heckman Equation - <https://heckmanequation.org/resource/perry-preschool-midlife-toolkit/>

The Issue

A recent report¹² commissioned by Australian Childcare Alliance (ACA), the Early Learning and Care Council of Australia (ELACCA) and Australian Community Children's Services (ACCS) revealed that the net increase in long day care centres was roughly **2-3 times** the estimated number of new centres needed per annum to meet future demand. [Australian Children's Education and Care Quality Authority's](#) (ACECQA) latest [NQF Snapshot](#) reported, centre based, long day care development jumped to a new record high of 4.5%. Alarming Queensland reported the largest growth of 5.6% for the three months ending March 2020.

This is an alarming statistic - if the same growth continues in the coming years, there is likely to be an enormous impact on the quality of services, the government spending, and the viability of all early learning services.

Planning data¹³ predicts that there are currently over 1,000 new centres in the pipeline around the nation, which if completed, could deliver another 90,000 childcare places in an already flooded market.

What Queensland ECEC services need are 'location rules' similar to those accessed by community pharmacies. Like community pharmacy, ECEC services are heavily regulated with fixed relatively inelastic costs such as mortgages/rents and wages due to educators/staff to child ratios. To keep the cost of medicines down, the location rules help community pharmacies remain viable and competitive. And more so than pharmacies, long day ECEC services are the heart of most communities.

The ECEC sector needs the same approach if not the adoption of these rules themselves.

There is demand for an independent regulator to ensure demonstrable need. In Queensland, too many early learning (childcare) centres are built by developers who have no care for their community nor concern for the long-term viability not only of that particular centre but the existing ones nearby.

The guidelines or 'location rules' should be co-designed with the sector and Government and then overseen by a Government-appointed independent arbitrator, who will work beyond the influence of developers or local government councils.

Opened with the right demographic and demand and supply balance in place, every ECEC service should remain viable and in turn, offer downward pressure on fees for families and jobs for educators.

If an ECEC service is operating at less than break even sustainability (60 to 80% occupancy), due to another centre that has opened its doors in the same catchment area, without being in demand, there is a corresponding increase in fees.

This is an outcome not fair for any family and one that can easily be addressed at a minimal cost to Government.

Benefit to children and their families

¹² <https://childcarealliance.org.au/documents/media-releases/submissions/112-occupancy-and-performance-report-early-childhood-education-and-care-sector-10-12-2018/file>

¹³ According to data sourced from [Cordell Connect](#)

The benefit to families is very clear. Judicious location of ECEC services will allow all families to maintain access to a local, viable centre. Ensure that future development only occurs in areas of need. Families deserve affordable access to high-quality ECEC services within a reasonable distance of their homes.

For many remote and rural Queensland towns, the ECEC service is the epicentre of the community.

Our services underpin every local economy across Queensland, allowing parents to participate in the workforce and to engage quality educators. Most importantly, all children, particularly those already disadvantaged, in these communities will continue to have the same access to a viable ECEC service as those in the cities.

Benefit to taxpayers

By maintaining an accurate and fair balance between supply and demand, the long-term availability of affordable, high-quality early learning (child care) care for Queensland's young children can be assured.

As we now know and experienced throughout this terrible pandemic, a strong and vibrant early learning sector underpins Queensland's economy at a time of unprecedented stress.

Our healthcare and emergency workers need to be able to stay on the frontline and not at home, caring for otherwise healthy young children.

All parents, where possible, need to be able to return to the workforce and studies and, most importantly, our children need to continue to receive the quality care and education that will give them the best start in life.

Policy recommendation #4

Permanent payroll tax relief

The Issue

Since the introduction of the *Goods and Services Tax (GST)* on 1 July 2000, all early learning (centre based, long day care) childcare services were considered to be educational institutions, and hence their fees do not attract GST. The latest enactment of this is the Commonwealth's [*GST-free Supply \(Child Care\) Determination 2017*](#).

In Queensland, community, and not-for-profit early learning (childcare) services do not attract payroll taxes, regardless of their fee structures. Yet privately owned and operated services in Qld, who offer mirror educational services, are obliged to contribute payroll and creating inequity.

As Early Childhood Education and Care is highly regulated, and therefore significantly impacted by staff to child ratios, workforce costs generally represent approximately 70% of the services' overall costs.

As part of its economic response to the COVID-19 pandemic, the Queensland Government had the foresight to provide a range of payroll tax relief measures to small and large employers.

As part of this relief package, the refund and payroll tax holiday do not have to be repaid. This has provided essential financial relief to our sector, which is already under incredible stress and, as we have demonstrated, remain the backbone of the Queensland economy.

With the vast majority of service providers being small, family-owned and operated small to medium size business, ACA Qld is calling on the next Queensland Government to remove payroll tax permanently on education facilities on the basis of:

- consistency with similar centre-based community and not-for-profit services; and
- the savings for services will most likely be passed onto parents as downward pressures on fees, increases in educational resources for children, and/or increases in staff wages and services' abilities to attract and retain the highest possible educator workforce.

Benefit to families

Families in Queensland are already doing it tough. In April alone, 129,000 Queenslanders lost their jobs as the COVID-19 pandemic took hold.

The job losses drove the seasonally adjusted unemployment rate in Queensland to 6.8%.¹⁴

It is the second-highest unemployment rate in the country, just behind South Australia at 7.2%.

Providing equity of relief to all ECEC providers will allow more educators to be engaged. For one centre payroll tax could be redirected to engage two more staff members.

In regional Queensland, where attracting and retaining high-quality educators is very challenging, the additional financial headroom will allow service providers to offer more financial incentives.

This will ensure all children – regardless of where they live or their socioeconomic background – have the same access to high-quality ECEC services and educators as those in more affluent regions.

Benefit to taxpayers

Payroll tax is an impost on small businesses and in the ECEC sector, unfairly targets the private sector.

It can be redirected to create more jobs in a sector that has already demonstrated how valuable it is to underpinning the Queensland economy.

For a service provider of four centres, the savings captured by not being forced to pay payroll tax is the equivalent of two qualified educators. That is a demonstrable contribution to the Queensland workforce, the economy and to the long term benefit of Queensland children.

¹⁴

<https://www.abs.gov.au/ausstats/abs@.nsf/7d12b0f6763c78caca257061001cc588/a8e6e58c3550090eca2582ce00152250!OpenDocument>

Conclusion

Nearly 130,000 Queenslanders lost their jobs in April alone. Among them were many of our parents. Whilst facing a collapse in attendances of up to 90%, our members still protected the majority of our own educators and staff through JobKeeper and by cutting back on other expenses.

Just days before the Federal Government's \$1.3 billion ECEC rescue package – more than 30% of our members reported they were days away from collapse.

This was deeply shocking to us and to our families. These were parents (40%) who were needed on the health and emergency front line, not home looking after otherwise healthy children.

Many of our services care for children who are, sadly, safer with our educators than in their own homes.

These are vulnerable families who need all of the support we can give them. Now and long into the future.

But to protect our families and to continue to ensure high quality early learning care and education can be accessed by any Queensland child, we need to be a sustainable sector.

We need to be able to have certainty of long-term funding for our educators and our services. We need to be able to care for all children equally. Families must maintain their right to choose which early education and care service suits their needs.

ACA Qld has worked tirelessly throughout this global health and economic crisis to ensure the 300,000 children in our care remain safe, reassured, and can continue the early education that is so critical to their long-term future. We have proved to be the bedrock of the Queensland economy, allowing parents to stay in the workforce, where they can.

As we have done before and during this pandemic; we will always stand shoulder to shoulder with our families and our educators. We are committed to being their voice during this critically difficult time, and we want them to be afforded the respect they deserve during, and beyond, this election year.

We seek your written commitment to adopt all of our policy recommendations ahead of the coming election. And whilst we will remain vigilantly non-partisan, we will share your response with our parents and our educators.

These include:

- Extending the KindyLinQ program to include all early learning (centre based, long day care) services. The Government should then commit to redirecting its existing \$2.2M (for KindyLinQ) to 'close the gap' for struggling families.
- The State Government to fund any potential Commonwealth shortfall re: Universal Access (QKFS) funding and ensure it is extended for another five years until the end of 2026.

- The State Government to commit to planning and location rules for ECEC services, co-designed by the ECEC sector and the Government. Planning and supply need to be overseen by a Government-appointed independent arbitrator
- The State Government to provide permanent payroll tax relief to all ECEC services.
- As the peak body for the early learning ECEC sector, ACA Qld have been proudly pivotal, during this pandemic, in helping to convey the voice of our families.

We are respectfully requesting that you listen to them. ENDS