

10 August 2023

The Hon Daniel Mookhey MLC
NSW Treasurer
Parliament of New South Wales
52 Martin Place
SYDNEY NSW 2000

Dear Treasurer Mookhey,

**Re: Submission for the NSW Budget 2023/2024 and onwards
for NSW's early childhood education and care**

Firstly, congratulations again on being appointed as the Treasurer of New South Wales. We look forward to continuing to engage with you and the NSW Labor Government.

As you already know, ACA NSW is the peak body for over 1,600 privately-owned predominantly small to medium-sized family-owned and operated businesses who provide early childhood education and care services in New South Wales. ACA NSW members employ over 25,000 employees and are committed to providing excellence in early childhood education and care for the more than 125,000 children and their families.

Given your upcoming and first NSW Budget is to be handed down on 19 September 2023, this submission has been framed to share our views as well as offer proposals for the NSW Labor Government's consideration in the immediate to longer term.

On behalf of our members, ACA NSW would like to reiterate the following:

- 1. Preserving the inherited \$15.9b funding over 10 years**
 - a. Notwithstanding this significant investment was committed to by the previous NSW Government, we ask the NSW Labor Government to preserve this funding for the benefit of children, parents, educators, teachers and services participating in NSW's early childhood education and care.
 - b. While its associated objectives still have scope to expand, there is also significant opportunity to achieve higher productivities and outcomes that can only occur because of such significant investment and commitment.

- 2. NSW Deputy Premier's promise to not cannibalise existing early childhood education and care services**
 - a. The Deputy Premier had [broadcast a video](#) to NSW's early childhood education and care sector alongside Secretary Murat Dizdar and Deputy Secretary Gillian White on 19 June 2023.
 - b. During this broadcast, Deputy Premier Car stated *"I also want to keep reiterating to you that this is not about cannibalising services where they exist, where there are wonderful preschool programs within long daycare centres that exist at the moment"*.
 - c. Within that context, ACA NSW is anxious to understand how the NSW Government's \$5.8b Childcare and Economic Opportunity Fund will administer its [legislation](#), in particular the bi-annual Market Monitoring Report that would guide the creation of new early childhood education and care services where there is genuine undersupply.
 - d. NSW Labor while in opposition had also [clarified its proposal of 100 new preschools on school grounds](#), committing it to leverage existing preschool places while creating new c-located preschools that are targeted to areas with identified genuine need of additional preschool places.

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- e. ACA NSW is keen to ensure that the NSW Government also learns from the [ACCC Interim Report](#) that showed oversupply of early childhood education and care services does contribute toward increase fees to parents by up to 40%.

3. True regulatory sandboxing to fulfil the aspirations of NSW's Universal Preschool program

- a. Formerly known as the \$5.8b Universal Pre-Kindergarten program, the NSW Labor Government's Universal Preschool program appears to intend continuing with 71 pilot sites to achieve the best preschool children's outcomes as possible.
- b. Such regulatory sandboxing should continue to be applauded, and ACA NSW encourages such trials across a representative set of services so that the entire early childhood education and care sector can benefit and emulate.
- c. It should also be noted that both the [NSW Department of Education](#) and the [Federal Minister for Education](#) both had public concerns that 40%-45% of children were not developmentally on track upon starting school.
- d. As such, such trials of regulatory sandboxing will need to not only need to produce measurable improved outcomes for preschool children, but also address the lack of harmony between the sector's Quality Rating system and the Australian Early Development Census (AEDC).

4. Establishment of children's outcomes, including for preschool children

- a. Through the national [Preschool Reform Funding Agreement](#), the NSW Department of Education is already advancing trials of aspired preschool children's outcomes that will finally prove the investment of early childhood education and care.
- b. Concerns from the [NSW Department of Education](#) and the [Federal Minister for Education](#) is further contemplated by the [NSW Department of Education's examining of data](#) about children's outcomes through the National Disability Data Asset (NDDA), which also is not harmonised with the sector's legislated Quality Rating system nor the AEDC.
- c. Therefore, as part of the \$5.8b Universal Preschool program, ACA NSW therefore requests that the NSW Government invest in the creation, automatic collection and information sharing of a harmonised data platform so that informed decisions and investments can be made to ensure NSW preschool children and younger are on track of fulfilling the promises of their education.

In addition to the above, ACA NSW also wishes to offer the following recommendations for the NSW Government's consideration for the NSW Budget 2023-2024 and beyond.

- (a) A joint taskforce between the NSW Department of Police, NSW Department of Justice, NSW Department of Family and Community Services, NSW Department of Health and the NSW Department of Education to identify and resolve any legislative, regulatory and operational gaps (including the extending of whistleblower protection) where children aged 0-5 years old can still be at risk to crimes of paedophilia following [a man charged with 1,623 child abuse offences against 91 children between 2007 and 2022](#).
- (b) A new \$5m per year over 4 years to fund independent and longitudinal research into NSW specific early childhood education and care and its correlation with the quantifiable benefits of [Quality Ratings](#) of services, the [Australian Early Development Census](#) and yet-to-be established children's outcomes measures at a child-to-cohort level from a parents' perspective and future schooling perspective, and their comparisons with other Australian states' as well as other nations' children.
- (c) Alongside the establishment of preschool children's outcomes as outlined above, there should also be a complementary development to identify and track the outcomes of children aged 0-3 years old. And given the concerns from the [NSW Department of Education](#) and the [Federal Minister for Education](#), and the admission at the [South Australian Royal Commission into Early Childhood Education and Care](#) that there is no Australian evidence to prove the benefits through children of Australia's National Quality Framework, we suggest that the NSW Government establish a specific 2-year plan to identify a definitive set of measurable outcomes of children aged 0-3 years old, with a

future view of then collecting data and tracking outcomes for contrast against the National Quality Framework, as well as against similar cohorts in other Australian states as well as other nations.

- (d) Enable the NSW Department of Education to access and use the balance of [\\$281.6m budget](#) (ie about \$250m) to provide financial incentives for early childhood educators and teachers to relocate to NSW, as similarly offered by the Victorian Government's financial incentives (ie [\\$9,000 to \\$50,000](#)) to recruit early childhood teachers.
- (e) Enable the use of up to 1% of the [\\$281.6m budget](#) by up to two industry peak bodies to produce, implement and share marketing collaterals that will recruit early childhood educators and teachers for NSW.
- (f) A new data platform for collecting, reconciling (for funding purposes) and reporting of all attendances and enrolments of children across NSW long daycare services, NSW community preschools as well as NSW Government and local government ECEC services. This data platform should also be designed such that children's outcomes can also be recorded for the parents' reference and for policy development and financial investment purposes via aggregated reports for governments as well as the early childhood education and care sector. (NOTE: The digital hub for community preschools has been put back to the beginning of 2025).
- (g) Using the new data platform in (f) to assist the [Childcare and Economic Opportunity Fund](#) board identify and direct the creation of new services and proper use of the \$5b funding towards areas of true undersupply and avoid oversupply or cannibalising of existing services.

ACA NSW welcomes the opportunity to discuss any/all of these suggestions for the NSW Government's consideration.

We thank you for your consideration.

Yours sincerely,



Chiang Lim
CEO

- cc The Hon Prue Car MP, NSW Deputy Premier & Minister for Education and Early Learning
The Hon Ryan Park MP, NSW Minister for Health
The Hon Yasmin Catley MP, NSW Minister for Police
The Hon Kate Washington MP, NSW Minister for Families and Communities
The Hon Michael Daley MP, NSW Attorney-General
The Hon Courtney Houssos MLC, NSW Minister for Finance
The Hon Stephen Kamper MP, NSW Minister for Small Business

Gillian White, Deputy Secretary, NSW Department of Education
Peter Achterstraat AM, NSW Productivity Commissioner
Chris Lamont, NSW Small Business Commissioner