

28 September 2022

The Hon Dominic Perrottet MP
Premier
Parliament of New South Wales
52 Martin Place
SYDNEY NSW 2000

Dear Premier Perrottet,

Re: Urgent request for NSW Premier's personal and direct intervention to prevent partial closures and reduction of early childhood education and care services

The Australian Childcare Alliance (ACA) NSW is the largest peak body representing the privately-owned early childhood education and care (ECEC) sector serving over 1,600 services primarily across New South Wales. Our members collectively employ over 25,000 staff and support over 125,000 families.

ACA NSW is urgently asking for your personal direct intervention to prevent predicted partial closures and reduction of ECEC services across NSW, especially with 13 weeks before Christmas 2022.

Our September 2022 members' survey is forecasting at least 10.89% reduction in the number of places offered (NOTE: the respondents' range was a 3.85% to 50% reduction of licenced places to be offered). This means at least 34,000 NSW-based families with children aged 0-5 years old enrolled in ECEC services **may not have** access to their ECEC services for at least **one or more days** during September to December 2022.

We have attached our survey's summaries and associated maps (see Attachments A-1 to A-4) showing that the ever-worsening labour shortages (post COVID pandemic) combined with currently inflexible and higher NSW regulatory are predicted to have the following **negative outcomes** during **September and December 2022**:

- 31.5% of services are Likely or Very Likely to Temporarily Close for 1 or more days
- 58.4% of services are Likely or Very Likely to Reduce Their Number of Places Offered
- 79.6% of services are Likely or Very Likely to Lose More Educators
- 94.4% of services are Unlikely or Very Unlikely to successfully Recruit Quality Educators

Already, due to labour shortages, some NSW-based ECEC services are reducing their places offered by room (ie age group). And in order to minimise impacts, such reductions tend to negatively affect the youngest first because of their higher and inflexible staff:children ratio requirements (ie 1:4 ratio for children aged 0-2 years old, 1:5 ratio for children aged 2-3 years old and 1:10 ratio for children aged 4-5 years old (see [Regulation 123](#) and [Regulation 271](#))).

While the NSW Department of Education has sought viable solutions from the sector that they could implement, our members are responding that 83.33% **do not believe** the NSW Department of Education has provided sufficient flexibility and support (non-financial and financial) during 2022 to address the challenges they are facing (see Attachment A-5).

And while the NSW State Budget 2022-2023 did announce laudable proposals, there is a very real risk that their benefits will not positively impact services and families before Christmas, let alone well enough before the NSW State Election in 26 weeks' time. This includes the announced \$281.6m workforce package of which up to \$270.6m was earmarked for employer supplements for staff retention of which eligibility for use and immediacy of access are yet to be shared or explained.

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You will recall that the NSW Productivity Commissioner's White Paper (dated 31 May 2021) had overtly recommended a more fit-for-purpose regulatory framework for the ECEC sector (see [Recommendations 4.6-4.15](#)).

And on 8 December 2021 at the [National Press Club](#), as the new NSW Premier, you had challenged how early childhood education and care must be reformed with or without the cooperation of other Australian jurisdictions and/or the Commonwealth.

We of course recognise and applaud NSW's recently proposed reforms. However, their benefits can take time to be fully realised especially by parents, especially when some not occurring until up to the year 2030.

To assist, ACA NSW has attached a list of potential solutions (see Attachment A-6) that can immediately provide substantive and immediate assistance to NSW's ECEC services, thereby temporarily addressing the abovementioned challenges facing NSW's ECEC sector. In turn, they can assist in keeping ECEC services operational for all NSW-based children aged 0-5 years old and their families.

Without temporary yet immediate solutions, many children's attendances at their ECEC services will unquestioningly be disrupted. Affected families will see their children seek alternative early childhood education and care. Failing which, parents will likely have to adjust their working arrangements or even use unregulated care, ultimately to avoid withdrawing from the workforce either temporarily or altogether. All such options and scenarios are not optimal for children nor their parents.

Hence, as ACA NSW believes the repercussions of the COVID pandemic will linger for at least 18-24 more months, temporary yet urgent intervention is vital for not just children aged 0-5 years old, their parents and ECEC services, but ultimately the NSW and Australian economies.

I will contact your office to further pursue our urgent request. And we remain available to you to assist.

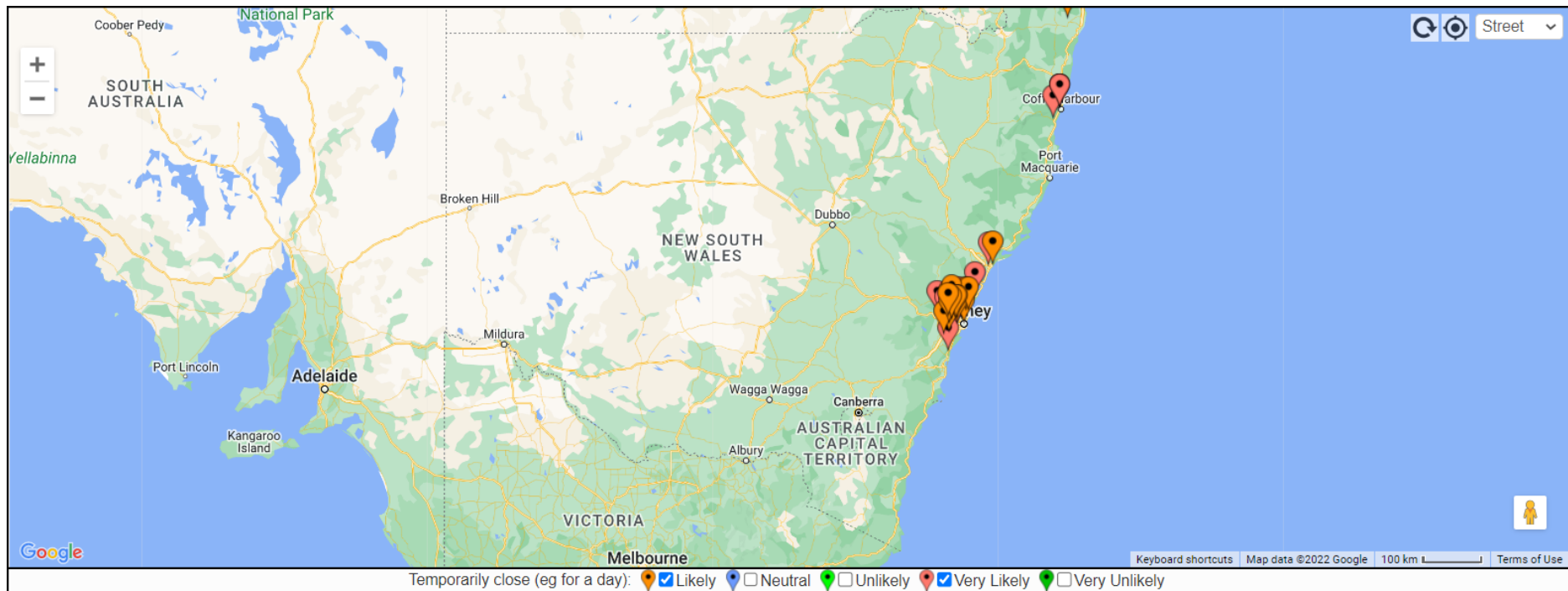
Yours sincerely,



Chiang Lim
CEO

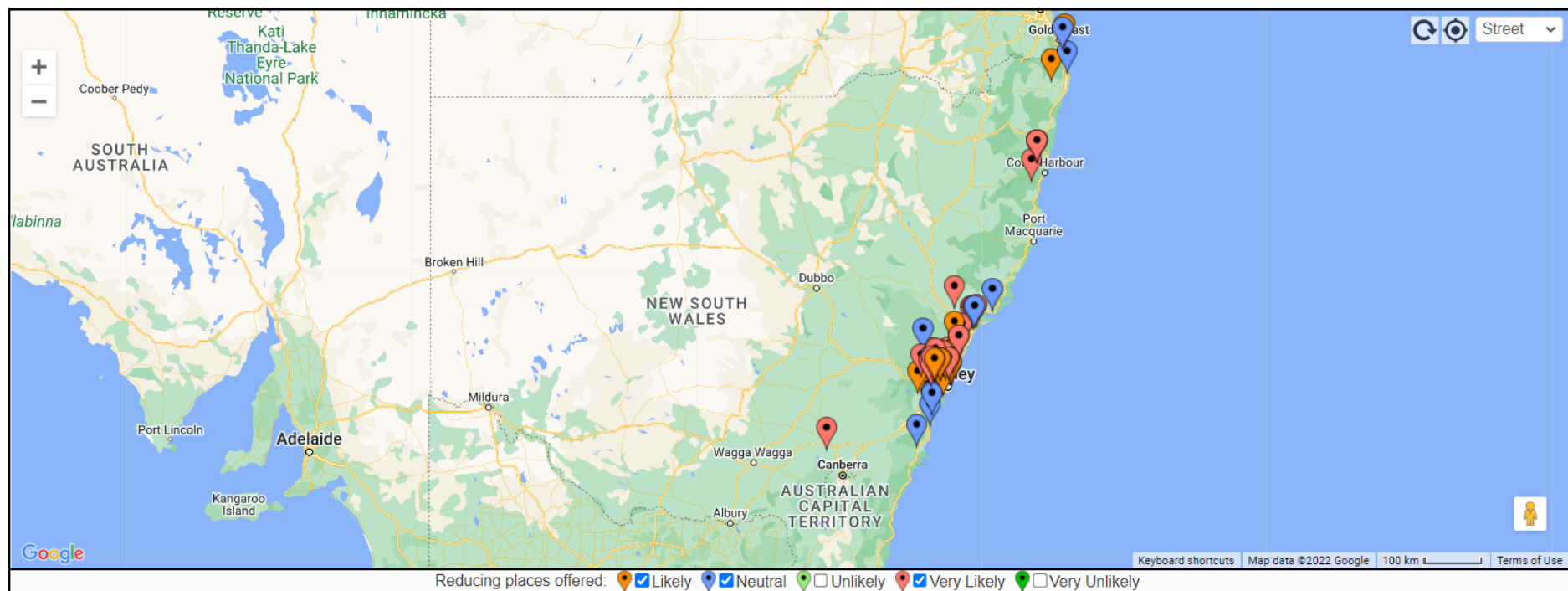
- encl A-1: Predictions of temporary closures (1+ days) during Sep-Dec 2022
 A-2: Prediction of (childcare) services reducing places offered during Sep-Dec 2022
 A-3: Prediction of services losing more educators during Sep-Dec 2022
 A-4: Prediction of services unable to recruit quality educators during Sep-Dec 2022
 A-5: Member services' view of NSW Department of Education's support during 2022
 A-6: Proposed temporary solutions for ECEC sector to address severe labour shortages
- cc The Hon Matt Kean MP, NSW Treasurer
 The Hon Bronnie Taylor MLC, NSW Minister for Women
 The Hon Sarah Mitchell MLC, NSW Minister for Education & Early Childhood Learning
 Mr Chris Minns MP, Leader of the NSW Opposition
 The Hon Daniel Mookey MLC, NSW Shadow Treasurer
 Ms Prue Car MP, NSW Shadow Minister for Education & Early Childhood Learning
 Ms Jodie Harrison MP, NSW Shadow Minister for Women

[A-1] SUMMARY ACA NSW MEMBERS' RESPONSES: PREDICTION OF TEMPORARY CLOSURES (EG 1 OR MORE DAYS) DURING SEPTEMBER TO DECEMBER 2022



Prediction of Temporary Closures (eg 1 or more days) during Sep-Dec 2022	Very Unlikely	Unlikely	Neutral	Likely	Very Likely
Click map above or here to interact	25.0%	23.1%	20.4%	14.8%	16.7%

[A-2] SUMMARY ACA NSW MEMBERS' RESPONSES: PREDICTION OF SERVICES REDUCING PLACES OFFERED DURING SEPTEMBER TO DECEMBER 2022



**Prediction of services reducing places
offered during Sep-Dec 2022**

[Click map above or here to interact](#)

Very Unlikely

15.7%

Unlikely

13.9%

Neutral

12.0%

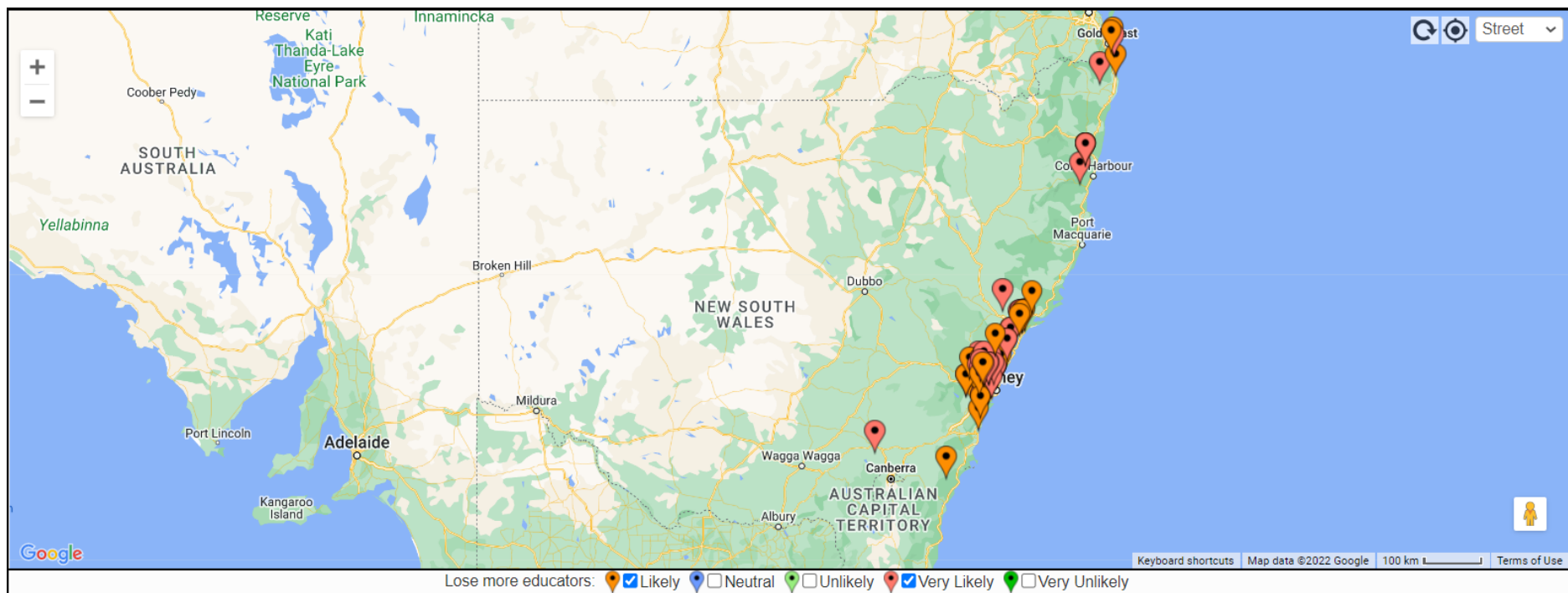
Likely

25.1%

Very Likely

33.3%

[A-3] SUMMARY ACA NSW MEMBERS' RESPONSES: PREDICTION OF SERVICES LOSING MORE EDUCATORS DURING SEPTEMBER TO DECEMBER 2022



Prediction of services losing more
educators during Sep-Dec 2022

[Click map above or here to interact](#)

Very Unlikely

5.6%

Unlikely

6.5%

Neutral

8.3%

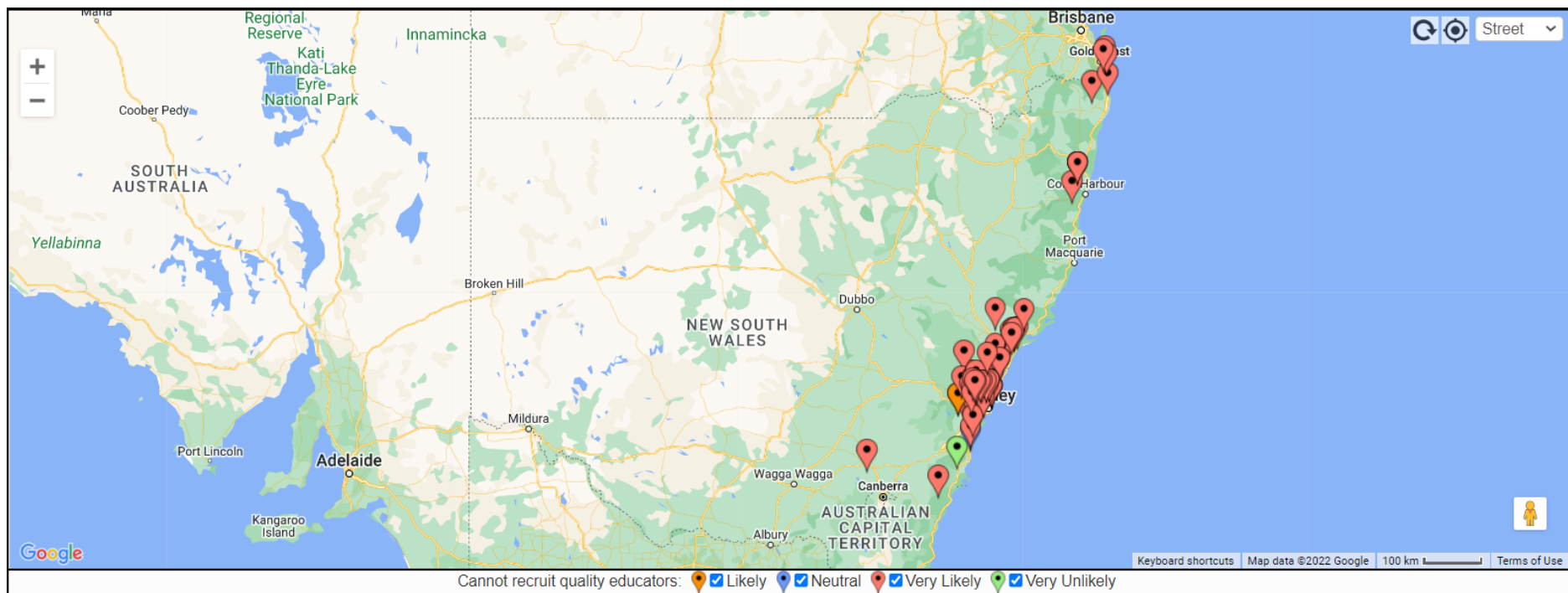
Likely

40.7%

Very Likely

38.9%

[A-4] SUMMARY ACA NSW MEMBERS' RESPONSES: PREDICTION OF SERVICES UNABLE TO RECRUIT QUALITY EDUCATORS DURING SEPTEMBER TO DECEMBER 2022



Prediction of services unable to recruit
quality educators during Sep-Dec 2022

Very Unlikely

Unlikely

Neutral

Likely

Very Likely

[Click map above or here to interact](#)

1.9%

0.0%

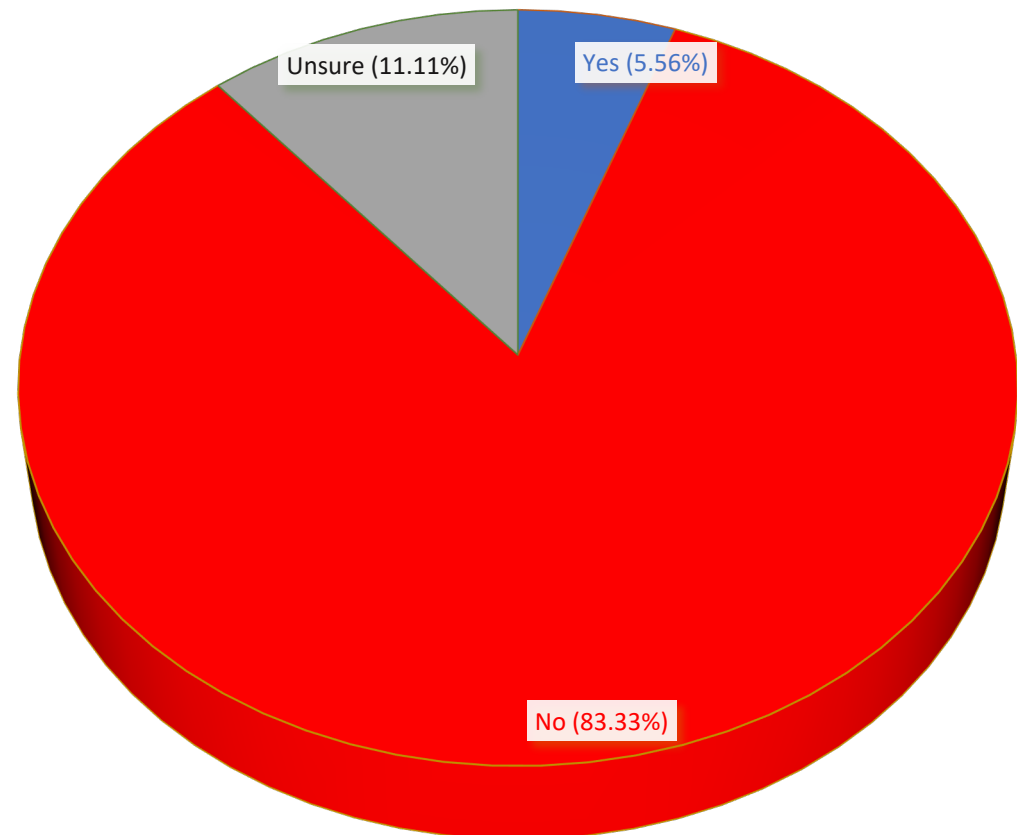
3.7%

6.5%

87.9%

[A-5] SUMMARY ACA NSW MEMBERS' RESPONSES:

DO YOU BELIEVE THE NSW
DEPARTMENT OF
EDUCATION HAS PROVIDED
SUFFICIENT FLEXIBILITY
AND SUPPORT
(NON-FINANCIAL &
FINANCIAL) TO YOUR NSW
SERVICE DURING 2022?



[A-6] PROPOSED TEMPORARY SOLUTIONS TO ADDRESS WORSENING LABOUR SHORTAGES

#	Proposals
01	Immediately identify and approve qualifications that can be accepted as alternatives to existing Certificate III, Diploma and degree qualifications for temporary use for the next 2 years
02	Suspend Regulation 126(1)(a) for the next 2 years to achieve maximum flexibility of sourcing either Certificate III or Diploma qualified (or equivalent) educators for services rated as at least Meeting in Quality Area 2 (Children's Health and Safety), Quality Area 3 (Physical Environment) and Quality Area 7 (Leadership and Service Management)
03	Immediately extend the expiry of the Certificate III (CHC30113) and Diploma (CHC50113) on 20 January 2023 for to December 2024 and therefore recognise educators with those qualifications alongside the new Certificate III (CHC30121) and new Diploma (CHC50121) qualifications
04	Immediately allow, via a temporary waiver for the next 2 years, university students studying primary or secondary education can be recognised as equivalent under Regulation 126(1)(b) (NOTE: these students are already allowed to work as educators through out-of-school-hours-care and before-and-after-school-care services)
05	Immediate issue a 2-year temporary service waiver (ie until December 2024) to lower NSW staff:children and qualifications:children ratios to the National Standards automatically for services rated Meeting or higher, and upon application for services rated Working Towards on a risk-assessment basis
06	Limit all assessments and ratings for the next 2 years (ie until December 2024) to only services that are rated Working Towards issued before COVID (ie during 2019 and before)
07	Temporarily allow services for the next 2 years to adopt the lower regulatory requirements that exist for any other Australian state/territory as the NSW requirement
08	Convert all Spotchecks/Compliance Visits to Support Visits for the next 2 years with a focus on assisting services to weather the severe labour shortages
09	Restrict all notices of breaches/non-compliances to only those with demonstrable and recorded proof of breach(es) of section(s)/clause(s) of the National Law or National Regulations that are associated with financial penalties
10	Immediately outline and release the eligibility criteria and use in 2022 of the balance of the \$281.6m workforce package (as per NSW State Budget 2022-2023) earmarked for staff retention without such funds being legally recognised as taxable income or fringe benefits
11	Immediately suspend for the next 2 years all remaining eligible services that would still incur payroll taxes (NOTE: estimated to be 15% of the sector)
12	Immediately redefine the IELTS English proficiency requirement of overseas-sourced early childhood educators and teachers to be that of functional English so as to engage NSW children aged 0-5 years old rather than "a score of seven (7.0) or more in the reading and writing components, <u>and</u> a score of eight (8.0) or more in the speaking and listening components, in the academic version of the International English Language Testing System (IELTS) exam in the last two years" (especially when only 25.06% of native English speaking individuals can achieve this requirement).