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Your submission for this review:

Big Fat Smile Group Ltd welcomes the IPART review into early childhood education and care affordability, accessibility and consumer choice. We recognise that access to high-quality education and care results in improved outcomes for children, families and communities. To retain the focus on quality service provision and identify the barriers that result in exclusion or underrepresentation of children in formalised education and care, Big Fat Smile Group Ltd would like to take the opportunity to provide the following recommendations to the draft terms of reference: - The IPART market review scope also includes information on children and families currently excluded or under-represented in formalised Early Education and Care, and the barriers of access identified therein. Inserted into 1c of the IPART Task section below; - The IPART review, when comparing service types, does not restrict to overall type (i.e Long Day Care compared to Preschool) but also includes size comparisons to determine the impact of size of service on price and quality; - The IPART review, when estimating benchmark prices, analyses the feasibility and value of the benchmark fees given the breadth of service delivery and pricing variations within; - In recognition that the quality of the program being provided to children directly influences the benefits and lifelong outcomes, particularly for those from vulnerable or disadvantaged backgrounds, that quality of service delivery is embedded in the analysis across the entirety of the IPART terms of reference. Please find attached the full version of Big Fat Smile Group Ltd written submission for the IPART Review.



Written Submission for the IPART Review

January 2023

About Big Fat Smile

Big Fat Smile is one of the largest and most respected children's services provider in South-Eastern New South Wales. We are a not for profit organisation that has been serving the children, families and communities of the Illawarra since 1981. We are best known for running 26 Early Learning and Care / Community Preschools and 15 Out of School Hours Care Services (OSHC) that care for over 4,000 children and 3,500 families.

Big Fat Smile also operates:

- Supported playgroups, supporting children and families experiencing high levels of vulnerability and disadvantage through community networking opportunities
- Transition-to-school program to facilitate positive transitions to school for children in Wollongong, Shellharbour and Kiama networks.
- Include Me; two inclusion programs that support services across both the state and Australia.

Big Fat Smile is a values-based, not-for-profit organisation. Our **vision** is '***We enrich the lives and minds of our children and families in their communities***'.

Our **values** are:

- Safety
- Leadership
- Integrity
- Inclusion
- Child-centric
- Connection

Recommendations on Draft Terms of Reference

Big Fat Smile Group Ltd welcomes the IPART review into early childhood education and care affordability, accessibility and consumer choice. We recognise that access to high-quality education and care results in improved outcomes for children, families and communities. To retain the focus on quality service provision and identify the barriers that result in exclusion or underrepresentation of children in formalised education and care, Big Fat Smile Group Ltd would like to take the opportunity to provide the following recommendations to the draft terms of reference:

- The IPART market review scope also includes information on children and families currently excluded or under-represented in formalised Early Education and Care, and

the barriers of access identified therein. *Inserted into 1c of the IPART Task section below;*

- The IPART review, when comparing *service types*, does not restrict to overall type (i.e Long Day Care compared to Preschool) but also includes size comparisons to determine the impact of size of service on price and quality;
- The IPART review, when estimating benchmark prices, analyses the feasibility and value of the benchmark fees given the breadth of service delivery and pricing variations within;
- In recognition that the quality of the program being provided to children directly influences the benefits and lifelong outcomes, particularly for those from vulnerable or disadvantaged backgrounds,¹ that quality of service delivery is embedded in the analysis across the entirety of the IPART terms of reference.

For ease, complete recommendations are detailed in blue below.

The task IPART is requested to:

1. Review the market for ECEC in NSW and report on factors which drive:
 - a. Supply of services
 - b. Affordability, accessibility and consumer choice across different children and family groups, geographies, service types, *service size* and provider types
 - c. *Under-representation or exclusion of family and children cohorts and their identified barriers in accessing formalised early childhood education and care.*
 - d. *Quality of service provision across different children and family groups, geographies, service types, service size and provider types*
2. Collect current fee, household out of pocket costs and provider revenue and cost information consistent with the ACCC review approach (where possible to minimise duplication) across different children and family groups, geographies, service types, *service size, quality ratings* and provider types
3. Estimate benchmark prices that can be used as a standard to measure and compare ECEC fees. These benchmark prices should reflect costs for different children and family groups, geographies, service types, *service size, quality service provision* and provider types. *And assess whether such benchmark prices are of any value having regard to the range and variability of prices*
4. Recommend ways for the NSW Government to improve ECEC affordability, accessibility, *quality*, and consumer choice relevant to the scope of these Terms of Reference. *In*

¹ Torii, K., Fox, S. and Cloney, D. (2017) *Quality is key in childhood*. Mitchell Institute Paper No 01/2017. Available at: <https://www.vu.edu.au/sites/default/files/quality-is-key-in-early-childhood-education-in-australia-mitchell-institute.pdf>

particular focus for funding should prioritise increased access and participation for children and families currently underrepresented or excluded in formal early childhood education and care identified in section 1.c above.

IPART will not develop, investigate or recommend price regulation or price setting mechanisms.

In conducting the review and developing recommendations, IPART is to have regard to:

1. The diversity of the NSW ECEC sector, including across children and family groups, geographies and local markets, service types, *service size*, *quality ratings* and provider types
2. The roles and responsibilities of government (both NSW and Australian Governments), providers and non-government participants
3. Public funding and subsidy arrangements for providers and service provision
4. Competitive neutrality principles
5. The extent of convenience-based, location-based, price-based and quality-based consumer choice for families in different geographies
6. The information that families have access to about the accessibility, affordability, convenience, quality and safety of ECEC services
7. Demand and supply for ECEC, including circumstances where demand and supply is too low to support effective accessibility and consumer choice
8. The objectives and provisions of the Childcare and Economic Opportunity Fund Act 2022
9. The state of the sector, including *the role of the sector within the wider education context and children's healthy development*, workforce supply and pay and conditions and service quality standards
10. The Australian Competition and Consumer Commission price inquiry of child care and the Productivity Commission inquiry into the sector and any other key reports impacting the sector that may arise during IPART's review
11. The benefits, costs and risks of any recommendations
12. The impacts of any fee governance recommendations on:
 - a. accessibility, affordability, convenience, flexibility, quality and safety of ECEC for families, including families facing diverse individual circumstances
 - b. the ECEC workforce
 - c. service provision and operational and financial sustainability of sector participants at a service, provider and sector level
 - d. barriers to entry for sector participants
 - e. NSW and Australian Government legislation and policy and program objectives
 - f. the capacity of the NSW Government to successfully implement them.
13. Any other matters IPART considers relevant.

IPART will consider the ECEC market for children aged birth to 12 years. The review will include community and mobile preschool, family day care, long day care, NSW Department of Education preschool, occasional care, and out of school hours care (before and after school care and vacation care) service types. Playgroups are excluded.