

Submission to the Inquiry into **Early Childhood Education and Care** **in New South Wales**

From the Federation of Parents and Citizens Associations of New South Wales
June 2025

Introduction

The Federation of Parents and Citizens Associations of New South Wales (“P&C Federation”) welcomes the opportunity to contribute to the inquiry into early childhood education and care (“ECEC”) in New South Wales. As the peak body representing the parents and carers of children in public education, we represent 1800 member P&C Associations, operated by over 8,000 office bearers with the support of countless thousands of volunteers for the benefit of 800,000 children.

Our submission focuses on one particular part of the ECEC sector - Out of School Hours Care (“OOSH”), which encompasses before and after school care and vacation care during school holidays. P&C Associations directly manage over 40 OOSH services in NSW, with 115 other OOSH services operated by other parent-managed not-for-profit providers. Parents in NSW value, rely on and are personally invested in the provision of OOSH in public schools.

The opportunity for the Legislative Council to consider matters of quality and safety in the context of OOSH is a timely one. The impact of a change in NSW Government policy on tender processes for OOSH on public school sites in late 2021 will lead to the corporatisation of OOSH in New South Wales, taking it further away from its roots in parent-managed care and reducing parent involvement in how their children are developmentally supported and educated.

It is the position of the P&C Federation that the corporatisation of OOSH is detrimental to the safety, health and wellbeing of children in New South Wales. This position is informed by our professional team and Board’s expertise in OOSH and ECEC, representations from our member Associations running OOSH services and from parents with children in OOSH who have shared with us their lived experiences.

Response to Terms of Reference

(a) the safety, health and wellbeing of children in ECEC services

The safety, health and wellbeing of Children in OOSH is a vital part of the overall wellbeing of the 38% of all school-aged children who attend these services before and after school and during school holidays [Source: "Child Care Subsidy data report – December quarter 2024", Commonwealth Department of Education].

The recent in-depth reporting by the ABC's Four Corners into allegations against particular ECEC providers was shocking for many parents and the wider public. Whilst OOSH was not the focus of these reports, we believe that the spotlight falling on the sector brings a positive opportunity to examine how OOSH can secure the safety, health and wellbeing of our children.

To the best of our knowledge, data has not been made public that breaks down incidents of harm by provider type, such that could inform insight into whether there are institutional factors that influence their frequency. The P&C Federation would welcome this data being made public, to the extent where deidentification of data makes this possible. We are concerned that in the most recent public data available from ACECQA, one large corporate OOSH provider did not meet the National Quality Standard 2.2 "Safety", which covers supervision, incident and emergency management, and child protection, in 21% of its services assessed and rated during the 2024 financial year [Source: "Q1 2025 NQS Data - NQF Snapshot", ACECQA]. This was substantially higher than for the rest of the sector, and raises questions about the ability of these large corporate providers to protect children's safety.

When considering the non-acute impacts of OOSH care on children's wellbeing, research confirms that play, routine and relational connection during these hours contribute significantly to children's emotional and social development [Source: "More Than Just Convenient Care", NSW Department of Education, 2020]. We refer to our submission later at c) where we explain the benefits of the parent-managed staffing model in terms of building long-term connections with children in the interest of their wellbeing.

(b) the quality of ECEC services and the educational and developmental outcomes for children attending ECEC services

All OOSH services are assessed against the seven National Quality Standards ("NQS") that form part of the National Quality Framework ("NQF"). These standards are described as a "high national benchmark", with services assessed by the NSW Regulatory Authority with a rating of Working Towards, Meeting or Exceeding NQS

across all seven standards and given an overall rating that is the function of those individual standard ratings.

Since the 2018 changes to NQS there has been a convergence in the middle of these ratings that makes them not fit for the purpose of comparing the quality of the majority of services. Since 2018, the middle band of “Meeting NQS” has expanded from 37% of services to 66% of services, with the proportion of “Working Towards” services falling from 30% to 12% as “Exceeding” services have fallen from 33% to 22%.

The assessment and rating process has become overly reliant on desk-based audits and pre-submitted documentation. As reported in research that interviewed 180 OOSH services the heart of quality OOSH - child-focused, flexible, and community-driven care - is often overlooked in favour of paperwork compliance [Source: “Money Matters”, Network of Community Activities, 2021].

To be rated as “Meeting NQS” has thus become a box-ticking exercise that does not reflect the genuine quality of services. Paid resources such as posters and craft kits are now targeted to the sector that are pre-labelled with the exact standards and terminology to record the activity in the service’s Quality Improvement Plan or self-assessment tool which is then presented to the Regulatory Authority as part of assessment and rating - please see our submission at d).

(c) the safety, pay and conditions of workers within the ECEC sector

The OOSH sector needs competent, quality employees who love what they do and are remunerated appropriately. These workers will be the ones who exhibit genuine care for the education and safety of the children in their charge.

Community-run OOSH services create environments where children are known personally by staff and feel safe, supported, and engaged. These services frequently employ former students as staff, reinforcing community ties and supporting identity formation for children. Parents report high levels of trust and satisfaction with community-based services because of their consistent staffing and commitment to wellbeing. They pay staff above-Award rates and promote from within according to demonstrated performance.

In contrast, large corporate providers may operate a distributed staffing model where casual staff are shared between multiple services and where decision making is deferred to area managers who lack direct connections to their local communities.

Community-run OOSH services tend to have significantly lower staff turnover and a more stable workforce. OOSH services with low staff turnover also reported higher child wellbeing outcomes and improved relationships with families [Source: “Money

Matters", Network of Community Activities, 2021]. These environments support stronger professional development and continuity of care.

For most long-serving OOSH directors and senior educators, staying in the profession is a labour of love. They work early mornings and late afternoons, often split by unpaid hours, and their pay remains modest despite years—sometimes decades—of experience. The trade-off is the deep satisfaction derived from strong relationships with children and families.

Quality staff working in OOSH services on public school grounds now face the added burden of NSW Department of Education tender policy changes. Many have interpreted these changes as a vote of no confidence from the very system they have supported. Their knowledge of community, their professional contributions and their hard-earned trust with families now appear expendable.

These professionals are now being asked to prepare complex procurement applications simply to continue the work they've been doing successfully for years. It's a demand many can't meet - due to time, expertise or sheer exhaustion. They find themselves forced to choose between an inflexible tender process and leaving the sector entirely. For some, this has meant stepping away from a career built on care and community, not because they no longer wish to serve, but because the system no longer supports them.

(d) the effectiveness of the regulatory framework for the ECEC sector as applied in New South Wales

The Regulatory Framework The National Quality Framework (NQF) was originally designed with early childhood education services in mind - primarily long day care and preschool. While the inclusion of OOSH within the NQF provides a common regulatory standard and body to monitor and enforce that standard, it is far from an ideal fit. OOSH services have been shoehorned into a system designed for a younger cohort, with different developmental, social, and operational needs.

Even the elements of the NQF that are evidence-based have been developed largely from research focused on early childhood. There is little empirical data, and even less longitudinal research, that specifically examines the needs of children in middle childhood in Australia. As such, the framework struggles to meaningfully capture what quality looks like for this age group.

The part-time and sessional nature of OOSH services, their integration within school communities, and their mixed staffing models require a distinct regulatory lens. Applying early childhood benchmarks to school-aged care can distort what is valued and measured. For example, the expectation of lengthy planning cycles or reflective

documentation may be unrealistic for services operating three hours per day with rotating casual staff.

This misalignment leads to an over-emphasis on form over substance and penalises smaller community-run services that direct their limited resources toward relationship-building and responsive care instead of paperwork. It also privileges larger providers who have the economies of scale to invest in compliance infrastructure without necessarily improving practice on the ground.

We have heard from assessors who say they recognise the difference between authentic and performative compliance but feel constrained by the limitations of the system. As a result, services that tailor their practices to genuine community needs may receive lower ratings than those with a polished compliance strategy detached from daily practice.

A more effective regulatory approach would acknowledge the unique role of OOSH, incorporate age-specific indicators, and include child voice and parent feedback as central components of quality. Regulation should serve to enhance - not restrict - the flexibility and responsiveness that are the hallmarks of good OOSH practice. The existing regulatory framework does not appropriately reflect the unique role or structure of OOSH services. Compliance requirements, such as the National Quality Standard, are designed around long day care models and do not account for the part-time nature of OOSH services or their location on school grounds.

(e) the effectiveness of the NSW ECEC Regulatory Authority

The NSW Regulatory Authority's processes are heavily centralised and overly focused on standardisation. While consistency is important, the authority's approach has contributed to a narrowing of what is considered "quality." The true markers of quality - relationships, play, responsiveness - are often undervalued in favour of uniform documentation and pre-set procedural expectations.

In community-run services, where administration is undertaken by volunteers or part-time coordinators, the burden of perfect regulatory compliance can displace attention from child-focused work. Services with limited staffing must choose between completing paperwork or engaging with children. This skews the assessment of quality away from genuine relational care and toward bureaucratic compliance.

A critical example is the process of self assessment as part of the assessment and rating process. While not mandatory, the use of the NSW Self-Assessment and Quality Improvement Planning Portal is strongly encouraged - and in practice, often expected. The tool homogenises how services describe their practices, and its strict character limits (500 characters per section) constrain meaningful reflection. A sceptical view might suggest these limits are designed more to reduce assessor

workload than to support genuine quality evaluation. Multiple OOSH directors have told us they felt “bullied” into using the tool instead of submitting an existing, compliant but longer Quality Improvement Plan (QIP), and feared non-compliance would negatively affect their rating.

Worryingly, services report that unless they complete the “exceeding themes” sections of the self-assessment tool, assessors will not evaluate their practice against exceeding-level standards - no matter how strong the practice observed on-site. In effect, the system asks assessors to disregard the quality of what is happening before their eyes and instead measure services against pre-submitted paperwork.

This is not the kind of reflective, context-driven assessment the National Quality Framework was designed to deliver. The Assessment and Rating process must be refocused on observing genuine practice - not just reviewing curated documentation.

(f) the collection, evaluation and publication of reliable data in relation to ECEC services and the level of public knowledge and access to information made available about each ECEC service

There is an urgent need for a coordinated, statewide approach to data collection in the OOSH sector. A NSW-wide OOSH data strategy must be developed to support evidence-informed policy, meaningful service evaluation and transparent accountability across all types of OOSH providers. The composition of the OOSH sector in NSW is distinct from other States and Territories and as such requires state-level investment.

Currently, data collection is fragmented, limited in scope and often driven by administrative or procurement imperatives rather than by what families, children and educators value in quality OOSH. Without a robust and intentional investment in data collection and evaluation, we cannot accurately measure or improve quality. We cannot meaningfully understand workforce needs, inclusion outcomes, or parental satisfaction. Nor can we identify and scale best practice.

To truly reflect the needs and outcomes of OOSH, the data strategy should be informed by regular consultation with children, families, providers and educators. Key data points should include:

- Staff retention rates, including ages, qualifications, and professional or study backgrounds;
- Child and parent satisfaction and feedback;
- Community engagement in governance and decision-making;

- The inclusion of children with disability or diverse support needs, and the level of support provided; and
- Service-level investment in programs, meals and staffing models.

This data needs to be collected in a single location with an informed approach. Currently, the procurement team for OOSHS in public schools - whose remit is cost containment and contract compliance - are collecting data on service quality in public school settings, despite lacking the expertise to interpret it meaningfully. This information is not shared, not consistent with data collection by the Regulatory Authority despite both being part of the NSW Department of Education, and is not made available to the broader sector, academics, or families. Services on public school sites are being asked to comply with an increased workload of data provision only for that data to be double-handled by the Department of Education.

A more effective system must be developed - one where data is collected and analysed by a central, independent and trusted body with the sectoral expertise to interpret and distribute insights meaningfully. Data must be collected consistently across the sector, including both public school-based and non-school-based services, and made publicly available in a timely, transparent and accessible format.

(g) the availability and affordability of quality training institutions for early childhood education qualifications

Unlike early childhood educators, there are no required qualifications specific to OOSH. Yet the developmental needs of school-aged children differ significantly from younger children. The workforce lacks sector-specific training pathways, which leaves staff underprepared for behaviour support, inclusive practice, and community engagement.

Publicly funded, OOSH-specific training should be prioritised, especially in areas of inclusion, wellbeing, and trauma-informed practice.

(h) the composition of the ECEC sector and the impact of government funding on the type and quality of services

Corporate for-profit OOSH providers are responsible to their shareholders for the maximisation of their wealth, through a combination of profits by way of dividends and capital growth. There are undoubtedly for-profit providers with additional objectives - but the profit-making objective that is common to all does not support the best outcomes for the education and care of school-aged children in New South Wales.

This is not a contentious position of the P&C Federation - it has long been enshrined in the Education Act that in order to access Government funding, schools must be strictly not-for-profit. However, come 3pm, when school finishes and the on-premises OOSH and a different team of educators start, we suddenly permit the funnelling of hundreds of millions of dollars of taxpayer-funded Child Care Subsidies to for-profit OOSH providers.

As OOSH has grown from “convenient care” to a fully regulated system with educational outcomes and benefits, complementary to and often on-premises with our public schools, now is the time for Governments to recommit to the not-for-profit provision of OOSH. Instead the New South Wales Government risks encouraging privatisation by implementing the changes to tendering policy that corporate providers and their industry lobby group successfully advocated for.

In order to maximise shareholder wealth, for-profit providers must act to minimise costs. Beyond the natural incentive towards lower wage, food and activity cost, this also promotes a focus on the aspects of compliance that are easily replicable between services - elements that are often disconnected from the quality of children's daily experiences. These providers adopt centralised models that yield economies of scale across multiple services, but such models often lack genuine connection to the children at each site or the unique needs of each school community. In practice, this approach does not necessarily align with parent satisfaction or provide quality care.

Provider Type Case Study - Deidentified

A large corporate for-profit OOSH service on a public school site in Sydney's Inner West does not offer vacation care due to lower profit margins on offer. As a result, parents who attend that service for before and after school are forced to enrol their children in the closest parent-managed not for-profit service that offers vacation care despite the financial burden, subsidising it through revenue from before and after school care.

Parents who use both services report a clear preference for the parent-managed OOSH. They highlight consistent staffing, enriching activities, a greater range of options, better food quality and a safer environment. Notably, the parent-managed service has the same quality rating as the corporate provider - 'Meeting NQS'. A parent on the management committee explained this: "Staffing resources aren't unlimited. We want to keep costs down for families, but we don't do that by cutting staff - we do it by deploying them where they matter most: with the children."

The parent committee made a deliberate choice to roster educators at a 1:10 educator to child ratio, far exceeding the 1:15 benchmark. "More educators means more activities can be carried out safely. It means our kids have a

choice of what they do each day, can move freely between spaces and engage in a variety of activities."

The parent noted: "The rating isn't nothing, don't get me wrong. But I see it more as validation for the staff that they're doing a great job. If you ask parents at our school what our OOSH's rating is, they'll stare at you blankly. They don't know and frankly they don't really care. You know a good service when you're using it. You walk around, you see what the kids are doing, you see how the staff are engaging with them. That's what's important to me, not an 'exceeding' rating."

This case highlights the disconnect between assessment outcomes and the true quality of a service and calls into question the over-reliance on formal ratings in procurement and policy decisions.

(i) the experiences of children with disability, and their parents and carers, in ECEC services

The Inclusion Support Program (ISP) is not fit for purpose. Services report that the application process is overly complex, underfunded, and places a significant administrative burden on already stretched teams. Many services that have previously accessed ISP funding choose not to reapply due to the annual reapplication requirements, intensive documentation load and limited hours of support offered. Some coordinators reported that completing the ISP application takes hours they simply do not have, especially when juggling frontline responsibilities.

The ISP's support is poorly aligned with the practical realities of OOSH. Several services shared that the funding model does not reflect the actual cost of providing meaningful inclusion, particularly where additional supervision, specialised training, or modifications to the physical environment are needed.

The quality of advisory support provided through the program is inconsistent, with some services reporting that the expertise of support personnel varied widely, and was often insufficient to meet complex needs. As a result, many services feel unsupported, and are forced to either absorb the additional costs or reduce their capacity to enrol children requiring higher support ratios.

Families continue to report being turned away from corporate OOSH providers due to their child's additional needs, with providers utilising exemptions in the Disability Discrimination Act 1992 to refuse to make adjustments where their profit margins would be unreasonably threatened. In contrast, community-run services are more likely to accept children with disability, but are increasingly stretched to provide the quality of care these children deserve. As one service reported, they rely on

volunteers and creative rostering to provide one-on-one care, often at the expense of financial sustainability [Source: “Money Matters”, Network of Community Activities, 2021]. Despite best efforts, staff are stretched and inclusion becomes a precarious goal rather than a guaranteed standard.

The reliance on goodwill rather than resourcing creates inequities across the sector. Services that take their commitment to inclusion seriously are often penalised - financially and operationally - while others opt out without consequence. This situation is not only unsustainable; it risks entrenching a two-tiered system where access depends on luck rather than policy.

(j) any other related matters

The competitive tendering model for OOSH provision in public schools is actively eroding the fabric of community-led OOSH.

Of the 1,591 public primary schools in New South Wales, more than 900 currently have an OOSH service operating on-site, and this number continues to rise. These services are operated by a range of providers including large charities; national corporate providers; smaller for-profit businesses operating locally; local councils and neighbourhood centres; and parent managed services operated by both P&C Associations and incorporated parent-run associations.

Parent-managed OOSH allows families to work, stay connected to their communities and play an active role in supporting their children's development and inclusion. The fees charged for attendance are reinvested back into the service or the school, and the direction of the OOSH is set by volunteer parent committees. In recognition of this, until late 2021 parent-managed services were the Department of Education's “preferred provider” of OOSH care on public school sites under precursors to the Shared Use of Schools Policy and were therefore granted an exemption from the requirement to go out to commercial tender.

At the time of the policy change in late 2021 there were just over 40 P&C Associations operating OOSHs in NSW, and approximately 140 parent-managed Incorporated Associations. This policy shift, opposed by both the P&C Federation and the peak body for OOSH in NSW, Network of Community Activities, reduced the number of preferred providers by nearly 80%.

When this exemption was transferred to P&C Association-run OOSH services exclusively, parent-managed services were told that transitioning to P&C Association management would be simple, cheap and quick. Despite strong and clear verbal and written representations to the Department and the NSW Government to the contrary, the change to the policy was formalised in 2022.

As at June 2025 there has yet to be a single service successfully transitioned from parent management committee to P&C Association despite some individual services investing hundreds of hours and tens of thousands of dollars to bring it to effect. The P&C Federation has had to step in to support services looking to transition following the inability of the Department of Education to advise on the process they have themselves prescribed.

Already, this change has resulted in a significant decline in the number of not-for-profit parent-managed OOSH services. This policy change favours large, profit-driven providers who can offer higher licence fees to the NSW Department of Education but deliver lower quality care. Since the policy was introduced, over 20 parent-managed services have been lost, accounting for a 16% decline in parent-run OOSH on school grounds. Parents report distress at losing their community service and frustration at the lack of transparency or consultation during tenders [Source: "Save Parent-Managed Out of School Hours Care in NSW: Act Now!", Change.org petition]

The substantive impact of this policy change will be that for a significant number of the remaining 115 affected services, either the existing parent management committee or the relevant P&C Association will ultimately find transition too difficult to undertake. These services will go out to tender, and these tenders will mostly be won by corporate for-profit providers.

Recommendations

That the NSW Government:

- 1) Commits to the support of community-provision of OOSH in public schools including:
 - a) Exempting any parent-managed incorporated association from tender.
 - b) Establish a grant program to encourage the establishment of not-for-profit parent and P&C managed OOSH providers.
 - c) Establishing a team outside of Procurement and School Infrastructure that focuses on community outcomes of service provision in schools.
 - d) Establish a partnership agreement, charter or similar document with parents in public education recognising their value in service provision in public schools and committing to a whole of government agreement to support this model.
- 2) Commissions an independent investigation into the tender process for provision of OOSH on public school sites, with a focus on tender criteria, with input from the NSW Regulatory Authority and relevant stakeholders.
- 3) Establishes a NSW-wide OOSH Data Strategy
 - a) Create a central, coordinated point for data collection, either within the NSW Regulatory Authority or an independent body.
 - b) Consult with families, educators and children to supplement quality rating data. Consider consulting with the Australian Government to propose family surveys on satisfaction as a condition of Child Care Subsidy.
 - c) Ensure public access to de-identified, aggregated data for use by services, policymakers, parents and researchers.
- 4) Reduces the emphasis on documentation and performative compliance and empower assessors to reward quality, investing in time spent at a Service, provide a continuity of assessors over time and increase frequency of Assessment and Rating.
- 5) Advocates at a national level for a redesign of the regulatory framework for OOSH, to establish distinct standards that reflect quality OOSH practice and operation.
- 6) Invests in strengthening inclusion of children with a disability or additional needs, and reward quality practices in inclusivity and high quality care for all children.
- 7) Creates and subsidises OOSH-specific training, and develops long-term career pathways to retain skilled educators and reduce turnover.