



Western Australian Planning Commission
Gordon Stephenson House
140 William Street
Perth WA 6001

Email: policy@dplh.wa.gov.au

Dear Commissioner

RE: DRAFT POSITION STATEMENT ON CHILD CARE PREMISES

Goodstart Early Learning (Goodstart) is Australia's largest non-for-profit provider of early childhood education and care (ECEC) and Australia's largest non-government provider of preschool and kindergarten programs. In Western Australia, we provide ECEC to 5,340 children across 53 centres while nationally we employ 15,639 people, including 2,000 teachers and provide high quality early learning to more than 67,000 children across 664 early learning centres.

We welcome the Commission's intent to provide a consistent policy approach to planning for childcare premises in Western Australia and thank the Commission for the opportunity to comment.

There is no doubt that the ECEC sector is going through a period of significant transformation and reform, both in Western Australia and nationally with a much stronger interest in ECEC system stewardship. At the Commonwealth level, the Australian Competition and Consumer Commission and Productivity Commission are conducting Inquiries into ECEC affordability and policy settings under this term of federal government, while state governments are also undertaking reviews of affordability, making considerable investments in quality and ensuring equitable access across all parts of their jurisdictions.

Unfortunately current policy settings at local, state and national levels mean that the development of ECEC centres is a lucrative investment, with investment funds promoting the sector as high yield and low risk, with returns underpinned by government spending and with little regard to the care and education of children.¹ With ownership of centres separated from the actual operation of the centre by the lessee, substantial profits can be made in the development and ownership of centres even when the operator may not be profitable. Other countries like Canada are now looking at the rapid growth of for-profit ECEC in Australia as a case study in what to avoid as they work towards universal, high-quality ECEC.²

Since the release of the previous statement in 2009, Australian evidence has also confirmed that for children to accrue the potential benefits of early education, the service must be high-quality. Children who do not have access to two years of high-quality early education are more likely to be vulnerable when they start school and remain behind their peers.³ This matters because unfortunately in Western Australia and across the country, children in lower SES communities remain

¹ See for example: <https://www.mollard.com.au/childcare-investment>

² <https://childcarecanada.org/blog/what-goes-around-comes-around-when-it-comes-profit-child-care>

³ <https://www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education-and-care>

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less likely to have access to high quality services.⁴ All of these policy imperatives have implications for, and can be supported by, better planning decisions at local and state government levels.

In updating the statement to reflect contemporary community needs, Western Australia has an opportunity to be at the forefront of childcare planning reform in Australia, learning from national and international best practice. And while we broadly agree with the policy objectives included in the statement, particularly the goal of co-location with schools and on community reserves, we make the following recommendations to develop these further and improve ECEC planning outcomes in Western Australia:

Recommendation 1 – The Statement should recognise the dual outcomes of early learning and care at Sections 2 and 4, and adopt this terminology throughout

The policy separation between 'care' that supports workforce participation and early childhood education no longer exists within childcare settings thanks to the successful implementation of both the National Quality Framework and National Partnership Agreement on Universal Access to Early Childhood Education since 2009. Children across Australia now receive high quality early education from birth with a seamless transition into 2-year preschool programs in a fully integrated environment that also supports their family's workforce participation. Even in Western Australia, where 49.7% of children attend preschool in a school setting for 5 days a fortnight, this number is decreasing each year while the proportion of children attending preschool in ECEC services or multiple services is increasing rapidly (23.1% in 2020 to 27.6% in 2021).⁵ Government policies such as this should be updated to reflect this reality for Western Australia's children and families.

References to childcare premises in the *Planning and Development (Local Planning Schemes) Regulations 2015* and this statement should be updated to "Early Childhood Education and Care (ECEC) premises" to emphasise and clarify the vital role that our sector plays in the education system to decision makers in local authorities. Section 2 describing ECEC services in Western Australia should also be amended to clearly outline the role of ECEC within the education sector.

Recommendation 2 – The Statement should require proponents to provide evidence of demand, in a consistent and transparent format for consideration by the community and planning authorities

Goodstart notes the Commission is of the view that a proponent does not have to demonstrate sufficient demand for a ECEC service, and we urge you to reconsider this position (Section 5.1). A growing issue for communities in Western Australia (and nationally) is the oversupply of childcare services in some locations and a complete absence of services in other areas, usually rural, remote and lower SES areas.⁶ Without more considered planning and regulation, childcare centres have been allowed to proliferate in more profitable areas, often being built by developers looking for the greatest returns and with little interest in the provision of quality education for children.

In some cases, services have been permitted to open very close to each other leading to cannibalisation in the market and an overall reduction in the quality of each service as they compete to reduce costs. There is also a national shortage of early childhood teachers and

⁴ <https://www.acecqa.gov.au/sites/default/files/2020-06/OccasionalPaper7.pdf>

⁵ <https://www.pc.gov.au/ongoing/report-on-government-services/2023/child-care-education-and-training/early-childhood-education-and-care>

⁶ <https://www.vu.edu.au/mitchell-institute/early-learning/childcare-deserts-oases-how-accessible-is-childcare-in-australia>

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educators at present. To spread the limited qualified workforce across an increasing number of centres is a suboptimal use of the finite number of qualified educators – often drawing educators into metro areas in WA and away from the regions. Where services are running at low occupancy, this is an inefficient use of the workforce that increases demand for labour for all centres. The substantial shortages in the early childhood workforce are evidenced by the fact that 24% of long day care centres in Western Australia have had to apply for a waiver from the National Quality Standards on staffing because they cannot find sufficient qualified staff.

Therefore, while oversupply may be acceptable to the community in some land uses (e.g. retail), it can have profound impacts on quality and early learning outcomes and should not be acceptable in relation to the care and education that is provided to our youngest West Australians. Planning considerations for ECEC premises should be much more like the considerations given to the locations of new state schools and much less like the considerations given to retail with demand and local demography being a key consideration.

A good practice approach exists in the Brisbane City Council – Australia's largest local government with 1.24 million people – where its planning policies require that an application for a material change of use in a low density residential zone for an ECEC centre demonstrate that it 'serves a local community facility need'.⁷ The Queensland Land and Environment Court has relied on this provision to reject inappropriate applications for new ECEC centres, recognising that the reduction in amenity from a ECEC centre in a residential zone cannot be justified if it does not meet a community need.⁸ The City Plan provides for code assessable ECEC centres in appropriate zones. The NSW Land and Environment Court also has a history of rejecting inappropriate applications for ECEC centres where they are inconsistent with amenity of the surrounding residential zone.⁹

Recent changes to planning in New Zealand now place the onus on the applicant to show, using ECEC planning and demographics data, that there is demand for the specific type of service proposed.¹⁰ Both of these approaches should be reviewed by the Commission with additional guidance introduced in the statement and supporting documentation so that planning authorities can make consistent and transparent considerations about demand when considering applications. We would be pleased to support the Commission in engaging with the sector and other stakeholders in the development of this guidance.

Recommendation 3 – The Statement should introduce additional principles to prioritise developments that are more likely to deliver high quality ECEC

As outlined above, contemporary Australian evidence now confirms the importance of high-quality ECEC in providing the foundations for children to thrive at school and later in life.¹¹ The first objective under section 4 should therefore be to encourage the development of ECEC premises that are likely to be high quality, inclusive environments.

⁷ Brisbane City Plan section 6.2.1.2.2.p

⁸ See *Nadi Lane Projects 1 Pty Ltd v Brisbane City Council* [2021] QPEC 5

⁹ See for example *Landow v Wollondilly Shire Council* [2022] NSWLEC 1382

¹⁰ <https://assets.education.govt.nz/public/Documents/Early-Childhood/network-management/National-Statement-24-Nov-2022.pdf>

¹¹ <https://www.aihw.gov.au/reports/children-youth/australias-children/contents/education/early-childhood-education-and-care>

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A key reform in New Zealand is relevant here, and places control of over where a new ECEC service can establish with the Minister for Education under a network planning approach. Strategic priorities for the network are set out in legislation and include:

- Services with a distinct Māori or Pacific identity and culture
- Services well-equipped for learning support needs
- Services well-equipped for migrants and former refugees
- Services planned with wrap around services for children and families
- Services planned to operate on a new school site

These priorities could be enhanced in the West Australian context by also prioritising developments for not-for-profit providers who are more likely to deliver high-quality services and are also more likely to use the surpluses generated to invest in quality and inclusion, and to support less commercially viable services including in regional and remote parts of Western Australia.¹²

Importantly, under the NZ guidance, meeting a priority is not a prerequisite for receiving approval. However, if a proposed service will meet a priority, it will be considered more favourably in these assessments. This is one way that Western Australia may be able to prioritise the development of services that are likely to be of higher quality for children.

Recommendation 4 – The Statement should be subject to a 5-year review once the outcomes of the ACCC and PC Inquiries are known.

Finally, considering the significant and ongoing ECEC reform agendas at state and federal levels it is recommended that the statement be reviewed again in 5 years' time. This will enable the Government and the Commission to consider contemporary community needs, the growing evidence base on the early years and the outcomes of the upcoming ACCC and Productivity Commission Inquiries and once again ensure these are aligned and supported by best-practice approaches to planning.

We thank you for considering our views and would be very pleased to meet with the Commission and other stakeholders to consider how our recommendations can be taken forward as part of this or future processes. If you would like to discuss any aspect of our submission further, please contact Kate Gilvear, National Social Policy Manager on 0402 692 366 or via kgilvear@goodstart.org.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michaela Griffin".

Michaela Griffin
Acting State Manager, Western Australia
Goodstart Early Learning

¹² For example, around one-third of Goodstart centres are in rural and regional areas and around one-quarter are in low socio-economic areas where the costs of operation are significantly higher.

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