



June 3, 2026

Committee Secretary
Inquiry into the factors driving educational attainment
Email: edu.reps@aph.gov.au

RE: Submission to the Inquiry into the factors driving educational attainment

Dear Committee Secretary,

The Australian Childcare Alliance (ACA), the national peak body representing more than 3,900 early learning services, welcomes the opportunity to contribute to this Inquiry. We maintain that educational attainment does not begin in primary school; rather, it is rooted in the social determinants of health, early years experiences and shaped by quality, accessible, and inclusive Early Childhood Education and Care (ECEC).

The ACA fully supports the recommendations of the Productivity Commission's report, *A Path to Universal Early Childhood Education and Care*. While significant strides in affordability have been made through the three-day guarantee and the ongoing child safety reforms, and more recently through the announcement of a consultation to develop the Commission, the primary barrier to improving educational attainment remains the lack of effective inclusion.

The Inclusion Support Program, designed for delivery in ECEC, is intended to provide the necessary support to ensure that every child can participate and, subsequently, prepare for the broader education system. Failing to adequately meet children's needs within the current Inclusion Support framework results in an unfavourable trajectory of educational attainment.

The failings of the Inclusion Support Program have been widely recognised for over a decade and yet remain unchanged. If the aim is to achieve Universal Access in ECEC and, indeed, improve educational attainment for Australian children, the government must address the systemic underfunding, administrative complexity, and the lack of inclusive practices in the early years.

The greatest improvement currently required in the ECEC sector is reforming the Inclusion Support Program (ISP). Because the people it is intended to serve remain with unmet need.

Inclusive practices in ECEC are foundational to equitable school transitions and long-term educational attainment. High-quality, inclusive programmes produce the most favourable outcomes for children, with gains concentrated among those from lower socio-economic backgrounds. This demonstrates that strengthening inclusivity in ECEC is a cost-effective way to close achievement gaps before they widen, reducing the need for expensive remedial education in the future.¹

The current ISP:

¹ OECD (2025), *Reducing Inequalities by Investing in Early Childhood Education and Care*, Starting Strong, OECD Publishing, Paris, <https://doi.org/10.1787/b78f8b25-en>.

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- Does not provide a sufficient level of suitability or funding to children, families or providers.
- Has remained unchanged and underfunded since its introduction in 2016.
- Has fundamental administrative and guideline issues.



A toddler with Congenital Myotonic Dystrophy Type 1 and why current ECEC inclusion funding fails

<p> years old •Attending ECEC 3 days per week, long-daycare in [redacted] Diagnosis •Congenital Myotonic Dystrophy Type 1 Functional Needs •Completely immobile •Non-verbal •Cannot self-feed •High choking risk •Requires full physical support WHAT SAFE ECEC PARTICIPATION REQUIRES - 1:1 educator for the entire attendance - Manual handling & feeding - Choking risk management - Specialist seating & equipment - Trained staff before enrolment The child is ready. The Service is committed. </p>	<p>THE SERVICE IS TRYING TO ACCESS THE NECESSARY FUNDING & SUPPORT</p>	<p> Inclusion Support funding aims to support: ✓ Meaningful participation ✓ Fund additional educators ✓ Safe, inclusive practice What Happens Instead ✗ Long approval timelines (weeks to months) ✗ No interim funding ✗ No capacity to fast-track high-risk cases or backdating options ✗ Funding rates do not cover real wage costs ✗ Services carry financial and legal risk while waiting Immediate Time-Limited Funding Short-term, low-complexity transitions Not Designed For Children who: ✗ Are immobile ✗ Require 1:1 care ✗ Have medical and choking risks ✗ Require intensive staff training ✗ Need specialist equipment Funding does not match complexity, does not bridge the inclusion gap and does not address WHS obligations & out-of-pocket training costs. </p>
		<p> ECEC services are forced to choose between: Excluding the child → Risk of discrimination complaints Accepting the child without support funding → Risk to child safety → Risk to staff safety Delaying enrolment → Child misses critical early learning → Family experiences stress and exclusion Absorb costs → Risk to service viability </p>

Although [redacted] health needs are unique, the administrative barriers, experience of delay and limited scope of support spans across the entire program, no matter the diagnosis or requirement for each child. ISP was established to in 2016, and demand has surged over the past four years, originally supporting 19,000 children in 2022–23 to its current volume of over 26,000 children across 5,600 ECEC services around the country².

To keep pace with this heavy usage, the Australian Government expanded the program's base budget of \$133million per year with \$114million supplementary funding injection in its 2026/27 Budget.

² Multi-million-dollar Inclusion Support Program is creating barriers, not taking them away, early childhood centres say. ABC News. Wed 27 Nov 2024. <https://www.abc.net.au/news/2024-11-27/inclusion-support-program-not-working-providers-say/104507980>



While the top-up is welcomed, many of the structural failures in the ISP remain. Providers say applications take too long to process, funding doesn't match families' use of ECEC, and that services are left to self-fund additional educators at a cost of approximately \$22,000 per child annually and without accepting enrolments, providers risk discrimination complaints.

Underfunding of ISP also significantly contributes to workforce stress and burnout. Reviews by the Productivity Commission and the Government have identified inadequacies and made sound, reasonable recommendations; however, the changes have not been implemented. *“Underfunding such an essential element of care compromises both child safety and workforce wellbeing, as educators are left to manage without sufficient support,”* says an ACA Member from Victoria.

For there to be greater benefit in realising the potential of the ISP, the Guidelines must be updated to reflect modern usage, reduce access barriers, reflect the real on-costs and needs of children, families and ECEC providers.

We guide the Committee to:

1. [Review of the Inclusion Support Program](#) by Deloitte - Final Report, Nov 2023, and its recommendations, noting inclusion in ECEC as an essential pathway to educational attainment.
2. Adopt the Productivity Commission's A path to universal early childhood education and care recommendations of inclusion:
 - increase the hourly subsidy rate for an additional educator's wage to the level set for a Children's Services Employee Level 3 and index the subsidy rate to that wage classification
 - remove limits on the weekly hours the subsidies can be approved for and ensure they align with the child's enrolled hours
 - allow other human-services qualified staff and inclusion professionals, such as allied health or other relevant professionals, to be employed as an additional educator.
 - Investigate the role of the Inclusion Development Fund Manager (IDFM) and Inclusion Agencies (IAs) in delays in processing applications for ISP funding during periods of high demand and increase their funding if necessary.
- By 2028, the Australian Government should develop and implement a new needs-based ECEC Inclusion Fund (Inclusion Fund). The fund should have three streams.
 - Children with high support needs should be supported through a stream such as the Inclusion Development Fund, with the enhancements suggested in recommendation 2.2 (Disability and Complex Needs Inclusion Stream).
 - Broader inclusion needs within the community of children and families supported by services should be funded based on the characteristics of that community (Mainstream Inclusion Stream).
 - A program should be established to enable services to apply for support for upgrades to physical facilities, ensuring all children can be included, irrespective of their abilities (Inclusion Fund Grant Stream).
- Trial the 'System Navigator' role to support families who face complex barriers to navigating and accessing ECEC and who would be otherwise unlikely to engage.

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3. Fund "Reasonable Adjustments" through direct grants to services for the capital and equipment costs required to make "reasonable adjustments" under the Disability Standards for Education.
4. Invest in Workforce Development for Inclusion by expanding support for specialised training and recognise that inclusive practice extends to cultural safety for Multilingual and First Nations learners.

The Australian Childcare Alliance believes that if we solve the challenge of inclusion, we solve the challenge of educational attainment. Universal access without universal inclusion will not deliver universal outcomes. By fully funding these reforms, the government can ensure that every child, regardless of their starting point, can succeed.

Yours sincerely,



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