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31.01.14

Productivity Commission
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Dear Sir/Madam,

RE: INQUIRY INTO CHILDCARE AND EARLY CHILDHOOD LEARNING

I am writing this submission on behalf of Kurri Kurri and District Preschool Kindergarten. Our preschool is a community-based, not-for-profit preschool, servicing Kurri Kurri and the surrounding district since 1972. Kurri Kurri is in the lower Hunter Valley, approximately 35km from Newcastle. It was identified as the 16th most disadvantaged postcode area out of 587 in NSW, in the 2002 Vinson report "Community Adversity and Resilience – the distribution of social disadvantage in Victoria and NSW". 2011 ABS data for Socio-Economic Indexes for Areas (SEIFA) show Kurri Kurri (at 896) to be more disadvantaged than the Cessnock LGA as a whole (936.4), while Cessnock is the most disadvantaged LGA in the Hunter Statistical Division.

Our preschool provides a service to approximately 125 children per week, with children attending either 1, 2 or 3 days/week. The preschool is open 9am – 3pm Monday to Friday for 40 weeks/year. We recently increased our class size to 25 children/day in both our two classrooms, as part of the NSW Preschool Growth Program. Our program is collaborative between families, the community, staff and children. It is a play based program which embraces challenges and extends the interests of the children. Children are viewed as capable, being "active participants in their own development" (Shonkoff 2000). We run a "father inclusive" practice where dads are encouraged to attend the centre and take an active interest in their children's education.

Our preschool provides on-site speech pathology to address speech developmental difficulties which are common in our children. As part of our program, we work with a part time occupational therapist to provide physical activities that help all our children to improve balance, coordination, muscle tone and core stability, focussing especially on those children with physical processing disorders. Among other things, this improves their ability to sit still and concentrate and so improves their chances of a successful transition to school. We also have access to a part time General Practitioner who provides parent support eg counselling, assistance with behaviour management strategies, referrals to other services etc.

Our preschool had its first Assessment and Rating visit in 2013 and was assessed as "Exceeding National Quality Standard" overall and in all 7 individual quality areas.

Approximately 60% of our budget comes from government subsidies, with parents paying fees to cover the remaining costs. The full fees for next year will be \$34/day, \$25 for Health Care Card holders and Aboriginal children.

Kurri Preschool is committed to providing a quality early childhood education service to our community and welcomes the opportunity to have input to this inquiry. Please find below our responses to selected questions raised in the Productivity Commission “Childcare and Early Childhood Learning” issues paper. The comments below are based largely on the experience of our staff and Management Committee as preschool providers, though also informed by our contact with long day cares (LDCs) and other services in our area. **As a preschool provider, our major concern is the child and obtaining the best outcome for that child and we believe that needs to be the main focus of the Childcare and Early Childhood Learning sector.**

What role, if any, should the different levels of government play in childcare and early childhood education?

One recommendation in *From Neurons to Neighbourhoods* (Shonkoff 2000) suggests that it is the role of the government to provide viable choices of early childhood settings to families. Currently, in NSW families wishing to enrol their 3 year old (who does not meet the equity eligibility criteria) in a preschool program would be faced with excessively high fees. This takes away choice for their families, forcing them into the long day care system. This eventually may have a flow on effect where preschools become unviable, as they rely heavily on 3 year olds taking positions when there are no 4 year olds left to enrol! Removing the artificial division between Federal and State responsibilities for “approved” and “registered” care might be a useful starting point.

The Federal Government has a role to play in setting the standard required for early childhood education and care throughout Australia. The standard should be the same everywhere, ensuring that all children receive the best start to their formal education and are well prepared for a successful transition to school. The National Quality Framework and National Quality Standards have largely been successful in identifying the standards required. It is too early to quantify the benefits of the NQF, as not all services have yet been assessed or necessarily reached the National Standard. Australian Early Development Index (AEDI) data is one measure that could be used to assess the impact of the NQF. Over time, it could be expected that the AEDI measures for children entering kindergarten would show improvement in all domains as the standard of early childhood education improves. There is currently no feedback to early childhood education providers about the results obtained from the cohort from their service. In a town such as Kurri, where approximately half of all local children attend our preschool, this would be valuable feedback to our service, informing areas for improvement and demonstrating where we are making a difference. This lack of feedback appears to be a lost opportunity.

If the AEDI data capture continues every 3 years, the next would be due in 2015 – possibly still too early to see the impact of the NQF. It seems ridiculous to be questioning the value of the NQF before seeing data which reflects the result of its implementation.

The Federal Government also has a role to play in ensuring that a quality early childhood education is equally affordable and accessible to every child in Australia. This is currently not the case, with NSW families paying the highest daily fees in Australia for a preschool education. It would be better if both preschools and long day care centres were Federally funded. This should allow more money to actually reach the services funded, rather than being wasted in duplication of services or side-tracked into other areas.

State Governments already have the resources to oversee the implementation of the NQF and this should continue to be their role.

Local Councils often rents premises to community-based not-for-profit ECEC services. This is to be encouraged, but also should be seen as the vital community service that it is. Councils should be playing their part in keeping services affordable by keeping rents reasonable. They should also provide long tenure arrangements, as the licensing requirements to start an ECEC service on another site are time consuming and exhaustive.

Local Councils also have a role to play in ensuring that new developments meet or exceed the minimum requirements eg for outdoor playspace. Many NSW councils have adopted the *Best Practice Guidelines in Early Childhood Physical Environments* prepared by Walsh, P. and NSW Department of Community Services (1998) in their Child Care DCPs eg Parramatta City Council. The Best Practice Guidelines state “The Regulation sets out minimum standards for buildings, facilities and operational practices. However, using best practice principles will not only deliver a better facility for users but one that is more viable in the long term.” Limited outdoor play space can limit children’s physical activity options and this in turn can limit their gross motor skills development. AEDI data shows areas which have children vulnerable in the “Fine and Gross Motor Skills” sub-domain and these areas should be adopting the *Best Practice Guidelines in Early Childhood Physical Environments*.

Natural outdoor play spaces are also important for children to explore and understand the natural environment. If children don’t learn to love and respect nature early on, they will not ever see the value in protecting it. *We cannot protect something we do not love, we cannot love what we do not know, and we cannot know what we do not see. And touch. And hear.* Richard Louv

What outcomes from ECEC are desirable and should be made achievable over the next decade?

It is essential over the next decade to promote the value of early childhood education and the people who work within this sector. It is equally essential to support play based learning, which is fun and responsive to the needs of every child. Healthy development across all domains, including, communication, cognition, social–emotional competence and moral understanding will be achieved when children and carers are tuned in to each other and when teachers can read the child’s cues and the teacher responds in a timely way.

Appropriate focus on the above should develop children better prepared to start their formal education. This should be reflected in a narrowing of the gap in AEDI data between all areas in all domains. The only way this will be achieved is to embed early intervention services eg speech therapy, occupational therapy into ECEC services in low socio-economic areas. This will allow speech and developmental delays to be identified early and therapy commenced BEFORE the child starts school. In our LGA, some schools eg Cessnock West administer a screening test for speech delays immediately after their “Best Start” screening. Therapy is then organised for the most urgent cases, within the budget available. All the while, however, these children are already slipping behind in the educational and social stakes. Better by far to have started correcting the problems before they start school.

Research abounds that demonstrates the link between teacher qualifications and educational outcomes in early childhood education. The focus on university trained teachers and trained educators in the NQF is appropriate and welcomed. More work is required, however, to ensure a stable and highly qualified workforce for the future. Until there is pay parity between early childhood trained teachers in the ECEC sector and the Dept. of Education in NSW it will remain impossible to attract and retain high quality teachers to a long term career in the EC sector, particularly younger teachers. This must be funded by Government, not by increased costs to parents, as we know that this only results in decreased participation rates. **Funding teachers’ wages in early childhood services equal to those in the Dept. of Education is the single most effective way any Government can use funding to encourage quality delivery of early childhood education.**

The Commission is seeking empirical evidence on demand for ECEC, in particular:

• are there families from particular household structures, socioeconomic groups or geographic areas that are now using some forms of ECEC significantly more than in the past?

As a preschool, we are seeing more families where both parents work than we have in the past. Often these working families are supported by grandparents who do or share the drop off/pick up.

We are also seeing a higher proportion of families who are the working poor, who can't afford preschool education but try really hard to juggle an overstretched family budget. This has led to the highest ever outstanding fees balance in 2013.

Children with additional needs are increasingly accessing mainstream preschools such as ours, in addition to specialist early intervention services.

Anecdotally, in discussions with services across the LGA, there are also more grandparents with primary responsibility for raising their grandchildren. Often this is because the parents have lost custody of their children, often due to drug addiction and inability to perform the parenting role.

• which types of families are likely to require significantly more or less use of ECEC in the future?

With the advent of the NDIS, it would appear likely that more children with additional needs will access mainstream preschools/LDCs.

The Commission is seeking evidence on the effect of the different types of ECEC, including separate preschool programs, on children's learning and development and preparedness for school.

Every year, our preschool enrolls some children who have previously attended LDC. Families have a perception that a stand-alone preschool program such as ours provides a high quality early childhood educational program which leads to better learning outcomes for children. Feedback from these families is inevitably that they are happy with their decision, despite often more difficult logistics in getting the child to preschool from 9am – 3pm.

Preschools generally have the same teacher and educators with the same class of children every week. This maximises the opportunity to build good relationships and follow through on learning interests. Due to parents varying work and study rosters and LDC staffing rosters, children at LDC do not always have the same teacher and educator, which makes it more difficult to build good relationships and learning outcomes.

How does the amount of time spent in ECEC and the age at which a child first enters childcare impact on learning and development outcomes?

Surely this data could be collected through the AEDI process and properly analysed to answer this question!

In the meantime the research *The Effective Provision of Pre-School Education (EPPE) Project: Findings from Pre-school to end of Key Stage 1* (Sylva., et al. 2004) could be reviewed at http://www.ioe.ac.uk/Effect_of_starting_pre-school_at_age_2_report.pdf

From this study, key findings over the pre-school period

☐ **Impact of attending a pre-school**

- Pre-school experience, compared to none, enhances all-round development in children.

- Duration of attendance (in months) is important; an earlier start (under age 3 years) is related to better intellectual development.
- Full time attendance led to no better gains for children than part-time provision.
- Disadvantaged children benefit significantly from good quality pre-school experiences, especially where they are with a mixture of children from different social backgrounds.
- Overall disadvantaged children tend to attend pre-school for shorter periods of time than those from more advantaged groups (around 4-6 months less).

☐☐ *Does type of pre-school matter?*

- There are significant differences between individual pre-school settings and their impact on children, some settings are more effective than others in promoting positive child outcomes.
- Good quality can be found across all types of early year's settings; however quality was higher overall in settings integrating care and education and in nursery schools.

☐☐ *Effects of quality and specific 'practices' in pre-school*

- High quality pre-schooling is related to better intellectual and social/behavioural development for children.
- Settings that have staff with higher qualifications have higher quality scores and their children make more progress.
- Quality indicators include warm interactive relationships with children, having a trained teacher as manager and a good proportion of trained teachers on the staff.
- Where settings view educational and social development as complementary and equal in importance, children make better all round progress.
- Effective pedagogy includes interaction traditionally associated with the term "teaching", the provision of instructive learning environments and 'sustained shared thinking' to extend children's learning.

☐ **Key findings at the end of Key Stage 1**

☐☐ *Lasting effects*

- The beneficial effects of pre-school remained evident throughout Key Stage 1, although some outcomes were not as strong as they had been at school entry.

☐☐ *Duration and quality*

- The number of months a child attended pre-school continued to have an effect on their progress throughout Key Stage 1, although this effect was stronger for academic skills than for social behavioural development.
- Pre-school quality was significantly related to children's scores on standardised tests of reading and mathematics at age 6. At age 7 the relationship between quality and academic attainment was somewhat weaker but still evident, and the effect of quality on social behavioural development was no longer significant. High quality pre-school provision combined with longer duration had the strongest effect on development.

☐☐ *Effective settings*

- Individual pre-schools varied in their 'effectiveness' for influencing a child's development. The advantages for a child's development of attending a particularly 'effective' pre-school centre persists up to age 7. Of course this does not mean that contemporaneous experiences at primary school have no impact on children's lives – only that the individual pre-schools attended continued to have an influence

Would extending the length of the school day have a significant impact on children's learning and development outcomes or parents' workforce participation decisions? What other impacts would such changes have?

As part of the COAG agreement on ECEC, it was agreed that children should have access to 15hr/week of early childhood education with a university qualified teacher for 40weeks/year. Our preschool currently provides our service 6hr/day and the majority of our children attend 2 days/week, providing 12 hr/week of early childhood education. For 2014, parents were offered extended hours, but the demand was insufficient to fill one class ie <25, which would be required to cover the cost of providing the service. Many of our parents can't afford a 3rd 6hr day at preschool to ensure their child receives 15hr/week of EC education.

Extending hours would obviously incur increased staffing costs, which would have to be offset by increasing fees, adversely affecting affordability. This seems to us to be counterproductive. We also question whether further learning occurs in a 7.5hr day compared with a 6hr day? It seems absurd to talk about 7.5 hr/day of early childhood education for 4 yr olds when, the following year as 5 yr olds, they receive only 6 hr/day at school! Most pre-schoolers are exhausted after a 6hr day at preschool, let alone 7.5hr. Is it really worth having university trained teachers and qualified educators supervising children "winding down" at the end of a long day?

It must be noted that the requirement for 15hr/week of early childhood education actually DECREASES the availability of places at preschools which operate for the fixed 6hr/day. Our preschool, working on the current 6hr day, could provide a 15hr/week EC education to 100 children/week (which is the "cap" on the number of children funded under the current NSW Government model). In actual fact, we generally enrol 125 children/week for an average of 12hr/week. One must question whether the extra 3hr/week for 100 children is better than denying 25 children a place at all.

The requirement for 15hr/week also creates problems for staffing centres consistently and therefore, maintaining relationships with children. There is plenty of research that shows good relationships contribute to good educational outcomes, but precious little to show that simply spending more hours does the same. It has to be said that extended hours might make life easier for working parents, but are unlikely to increase educational outcomes for children. **An early childhood education and care system should have as its primary focus the good of the children concerned. This inquiry needs to be mindful of the outcomes for children, as they become the taxpayers of the future.**

What is the relative importance of accessibility, flexibility, affordability and quality of ECEC (relative to other key factors) in influencing decisions of parents as to whether they work or remain at home to care for children?

Feedback from parents suggests that quality is the first thing that most parents look for in an ECEC service, followed by affordability. However, parents also noted that they didn't appreciate what "good quality" really was until they actually saw it in action and had experiences of "lesser quality" to compare to, or heard what was available in other services.

It is clear, however, that there are families that wish to have a "stay at home mum" while their children are young, regardless of the quality of childcare on offer and despite financial hardship from surviving on one income. Almost invariably, their children are receiving better than the 1: 4 ratio of the ECEC services, together with consistent care that builds good relationships. Children learn many things at home with their parents, but generally not social skills with their peers. It is often this that parents are seeking through EC services. "Does he/she have any friends?" is probably the commonest question asked of EC staff in the early weeks. "Stay at home mums" are probably more concerned with the quality of care – if they're not happy with the service, they can continue caring for their child at home.

What trade-offs do working parents make in relation to their demand for ECEC? For example, are they prepared to accept lower quality care if that care is close to where they live or work and/or enables them to work part-time or on certain days?

Feedback from our parents suggests that workplace childcare would be viewed favourably, as long as it was still good quality. It was felt this would minimise separation time and also facilitate breast feeding and other contact during the day.

It was also noted, however, that working parents or parents with new babies and other preschool children were often just grateful to get a place and didn't necessarily enquire too much about the service provided.

Has increasing workforce participation by mothers increased demand for childcare, or has improved availability, affordability, and/or quality of childcare led to increased participation?

Families value early childhood education and have sought our service because of recommendations from friends or social media. They are often taking fewer days than they would like because the cost is too high. We have had a large employer leave our town, leaving many families experiencing financial constraints.

How have government ECEC support programs affected workforce participation?

Preschools are classed as "registered care" not "approved care" and as such, parents can't claim the Child Care Rebate (CCR) for the cost of their child attending preschool – even if they are working while the child is at preschool. The amount of Child Care Benefit (CCB) payable for parents who are studying or working while their child attends preschool is scarcely worth the trouble of collecting (eg: ~\$0.64/hr X 6hr/day X 2 days/week X 40 weeks/year = \$307.20/year). **In other words, neither the CCR nor the CCB encourages workforce participation for parents who choose to use preschool rather than long day care for their child's early education.**

The Commission is seeking evidence on:

• the extent to which parents are experiencing difficulties accessing ECEC that meets their needs/preferences and whether there are particular categories of care, times, locations or circumstances for which accessing ECEC is more difficult — for example, regional areas, certain days or part days each week, or for children with special needs?

As stated previously, for 2014, parents were offered extended hours, but the demand was insufficient to fill one class ie <25 out of a total enrolment of ~125. There are two LDCs in Kurri, which already meet the demand for extended hours (or exceed them, as one has vacancies every day). **In Kurri, it would appear that lack of flexibility of hours is not restricting access to ECEC services.**

In years gone by, our preschool offered fixed days of the week: either Mon-Tues, Wed, Thurs-Fri or Wed-Thurs-Fri. Our teaching staff followed the same pattern, ensuring each class had a consistency of teachers, allowing good relationships to form. Over time, we have found that parents are choosing to vary the attendance pattern and the preschool has had to accommodate this, even though relationships with staff and other children suffer. Some of this is driven by work and study timetables but not necessarily all of it.

Although our centre takes children with additional needs, there is a limit on the number and severity that we can accommodate without other children being penalised. We usually have ~25% of children with

some level of needs, but could have to turn away high level additional needs children because we don't receive sufficient funding to provide the staff, resources and infrastructure to deal with them.

• how parents identify vacancies or choose which ECEC service to use — for example, are parents aware that the My Child website (www.mychild.gov.au) and at least one privately operated website allows them to search for centres reporting vacancies and do they find this service accurate and/or useful?

Feedback from parents suggests that not all were aware of the mychild website and even those that were had not necessarily used it. Those that had used it found it quite difficult to access information about our service, or indeed about preschools generally (as opposed to LDCs). Parents felt that it would be helpful if ALL service types in an area could be viewed easily. This would also be a good opportunity to explain the difference between “approved care” and “registered care”, as this is also something that parents generally have no idea about until their first child is enrolling in a service.

In the latter part of the year, when our service is full, we often get calls from people looking for a place for their child before starting school the next year. When we suggest they could try the mychild website, it is the first they have heard of it.

There is also a NSW community-based preschools website (<http://www.preschoolsnsw.org.au/>) that allows parents to search by postcode for a community-based service near them.

The Commission is seeking information from ECEC providers on:

• how the sector has responded to growth in demand, including changes to types of care offered, cost and pricing structures used by different types of providers, and any viability pressures

As part of the NSW Preschool Growth Program, our Preschool increased our licenced places from 47 to 50 and increased our children/day from 40 to 50. This is the maximum number of children we can have to meet the regulation on minimum internal playspace (although we exceed the outdoor playspace minimum by a factor of 3). This increase, however, has worked against us, as we have to provide a 3rd educator to maintain our ratio of 1:10, but only have effectively 5 places paying for that position.

• the key barriers that are inhibiting an expansion in ECEC services where demand is highest, development of more flexible ECEC, or alternative models of care

Parents and community members are happy to step up to manage community-based centres, but not many would be happy to take on the role of finding and arranging funding, planning and overseeing the building of a new centre and then setting up the policies and procedures to run it. **Capital funds must be made available to ensure that new services can be built, where they are required.**

If you look at the ABC Learning model, they had a subsidiary that assessed the demand, bought the land, gained development consent and built the centre. It was then handed over to ABC Learning to staff and run. The Department of Education does something similar with schools – why not with preschools/LDCs? After all, preschools and LDCs form part of the education system.

• approaches to managing childcare waiting lists that have been shown to be successful.

The Commission is seeking information on:

• the extent and nature of unmet demand for more flexible ECEC

There appears to be minimal unmet demand in Kurri, as demonstrated by our inability to fill one class when extended hours were offered. This is partly due to a 76 place ABC Learning Centre that was forced on our community, despite other services' claims that it wasn't justified. It no longer operates as an ABC Learning Centre, but still has vacancies every day for every age group, according to the mychild website. It serves as a reminder that provision of children's services can't be simply left to market forces.

- ***the reasons why current providers are not offering more flexible care options***

It's simple: we can't remain viable if we increase our costs by extending hours, then don't get enough enrolments to cover the cost!

The other factor is that EC services are largely provided by women and poorly paid ones at that. These women often have their own children who need before and after school care. EC wages do NOT pay well enough to for EC employees to be paying for care for their own children before and after school!

- ***the experiences of providers who offer flexible care options and their management strategies to maintain financial viability***

- ***the outcomes of the Child Care Flexibility Trials and circumstances under which successful approaches can be replicated***

- ***affordable approaches to improving flexibility, including innovative options that could involve new provider models.***

Kurri Preschool has considered an "after preschool family care" model, where children could go to local families for the 3-5pm period. It hasn't progressed due to uncertainty about regulatory requirements.

The Commission is seeking information on:

- ***how well the needs of disadvantaged, vulnerable or other additional needs children are being met by the ECEC sector as a whole, by individual types of care, and in particular regions***

As mentioned previously, up to 25% of our children may have an additional need. Over a number of years, the preschool has developed the Team Around the Child (TAC) Program. This Program takes a holistic view of children and their educational and developmental needs. It provides children, families and early childhood educators with the opportunity to work collaboratively with a speech pathologist, an occupational therapist and a consultant general practitioner. The role of these professionals is to increase the capacity of early childhood staff and families to ensure an inclusive and effective early childhood education program, giving better educational and developmental outcomes for all children. This lays the foundation for further development and learning.

Every 3 years the Federal Government oversees the collection of Australian Early Development Index (AEDI) data for every child that starts school ie kindergarten. One of the domains measured is "Physical Health and Well Being", which includes "Gross and fine motor skills". The first data was collected in 2009 and showed that 11.1% of children in Kurri were vulnerable in the "Physical Health and Well Being" domain, compared with 8.6% in NSW. 7.4% of children in Kurri were vulnerable in the sub-domain of "Gross and fine motor skills" compared with 6.6% in NSW and 6.7% across Australia. This data confirmed the observations of preschool staff and endorsed the need for extra assistance in this area via our Occupational Therapy Program, which began in 2009 and has become an essential part of our Team Around the Child. Around this time, the "I move, we move" program was implemented at our centre and training rolled out across all EC services in the HNEH area.

The 2012 AEDI data has just been released, and shows some dramatic improvements in the “Physical Health and Wellbeing” domain. The new data shows that only 4% of children in Kurri Kurri and surrounds were developmentally vulnerable in this domain, compared with 8.3% in NSW and 9.3% across Australia. Only 3% of children in Kurri were identified as developmentally vulnerable in the sub-domain of “Fine and gross motor skills” compared with 6.4% for NSW and 6.6% across Australia. It is interesting to note that the figures for Kurri have improved dramatically, while the figures for NSW and Australia have only improved marginally.

If we didn’t provide early intervention services, many children would start school without being assessed or receiving support due to the lack of private services in Kurri and the long waiting times for public services. This would adversely affect their transition to school and result in additional costs to the education system down the track. It seems to us that intervention services should start as soon as possible to maximise a child’s chance of success at school. It also seems that preschools are uniquely placed to provide these services, as the staff:child ratios allow more intimate assessment of a child’s abilities, but also the contact and relationship with parents is much closer than when a child starts school. Transport is also a factor – if children are seen while they are at our service, it means parents don’t have to travel to Cessnock, Maitland or Newcastle for appointments, which can be an all-day due to the poor public transport options.

We believe that our OT program and TAC program are essential for meeting the needs of disadvantaged, vulnerable and additional needs children and should be funded by Government (not Clubs and coal companies) and replicated in other disadvantaged areas.

• the extent to which additional needs are being met by mainstream ECEC services or specialised services

A number of the children with additional needs that attend our service also attend a specialist Early Intervention Service. Children attend our service for 2 days/week, on average. They attend the early intervention service, with a parent or carer, for ~2 hours/week. Money from the Helping Children with Autism program can be used for the early intervention service, but not for services provided at our centre. The best we can hope for is funding from SCAN and Dept of Education and Communities, which might cover an extra educator in the room for 4hr/day.

• key factors that explain any failure to meet these needs

Funding these early intervention services is the difficult part. Our speech therapist has been largely funded by Supporting Children with Additional Needs (SCAN) funding, as so many children in our area have speech delays and difficulties. Our occupational therapist is an employee of Hunter New England Health (HNEH), but her part time position at the preschool has been funded almost exclusively by grants from ClubsNSW and Donaldson Coal. The uncertainty inherent in relying on grants for funding makes it difficult to fill this position and maintain continuity.

• what childcare operators and governments can do to improve the delivery of childcare services to children with additional needs?

Governments need to fund early intervention therapists to get out into preschools and LDCs in lower socio-economic areas and rural/regional areas where services are difficult to access.

Our Team Around the Child (TAC) program ensures that children are assessed immediately that concerns about their development arise. Therapists then work with the child, their family and staff to implement a program to meet individual development needs. Staff at the preschool benefit from

increased training opportunities in speech, OT, promoting self-regulation and improved ability to make a difference in children's lives. Skills can be practiced with the teaching staff and parents even when the therapists are not present. Access to these health services ensures that children are better equipped to make a successful transition to school. Without this, families would have difficulty getting local, timely therapy due to lack of services and long waiting lists. Some families would not even recognise the problem or know where to start getting the intervention they need.

Our Program also impacts on the provision of mainstream education for children with additional needs. The TAC Program provides support to children to allow them to participate more fully in their preschool program. **Inclusion of children with additional needs into a mainstream preschool allows them to be accepted and make friends with the peer group they will later be going to school with.**

• the types of ECEC services which work particularly well and would be viable in regional and remote locations.

Community-based preschools are ideal for regional locations, as they provide opportunities for parents to meet other parents and form their own support networks. Community-based services provide a training ground for parents to gain the type of community participation experience that nurtures wider community leadership and participation eg our Management Committee president/secretary/treasurer etc often go on to perform similar roles in school P&Cs and local sporting and recreational organisations.

The Commission is seeking information and where possible quantitative evidence on:

• financial difficulties arising from paying childcare fees, including the types or location of families experiencing the greatest difficulties in meeting childcare costs

Our preschool has a full fee of \$34/day and a reduced fee of \$25/day for families on low income (ie with a health care card) and Aboriginal or Torres Strait Islanders for 2014. In 2013, our bad debtors amounted to ~\$4000 or ~1.5% of our fee-based income stream. As fees have gone up, this figure has increased. We also had a number of families leave the service during 2013 because they were unable to pay their fees. The preschool also operates a “Hardship Fund” which covers fees for people in “necessitous circumstances”. This Hardship Fund comes from donations and there are currently insufficient funds to make a significant contribution to those unable to pay fees.

• changes in the use of ECEC, including the type of care used (formal and informal), in response to changes in the cost of care

When fees increase, we certainly see families reduce the number of days their children attend preschool. Currently the NSW Government has said that they will only fund “equity” 3 yr olds ie those from a low income families or Aboriginal or Torres Strait Islanders. The “full” cost of preschool, without Government input, is ~\$67/day. Almost needless to say, no unfunded 3 year olds have yet been enrolled.

• the extent of price competition between providers and the effect this has had on fees and the quality of services provided

Our preschool sets its own budget, based on our staffing, equipment, utility etc needs. This is done without reference to any other service. The equation is simple – what doesn’t come from the State Government funding has to come from the families who use our service. If the service is not full, the fees are calculated on that basis. As the centre fills, the fees are reduced as there are more people contributing. **There is no scope to reduce fees to attract more families, except by sacrificing quality.** In the last 10 years, our Management Committee have always refused to do this.

• the flexibility providers have to price in response to demand and/or to meet the particular care and learning needs of children.

In a disadvantaged area such as Kurri, there would be no way that we could increase fees for individual children to meet their specific needs. That would simply result in the child not attending preschool.

The Commission is seeking up-to-date evidence, specific examples and case studies that will inform an assessment of both the benefits and costs of current regulations impacting on ECEC services.

There can be no doubt that the implementation of the NQF has brought increased work to EC services and especially preschools, as they had not previously been accredited. Some of this work related to updating and writing policies and procedures to comply with the new legislation. This has largely been done on a volunteer basis by our Management Committee. Staff members have also put significant time and effort into reviewing practices around educational programming and ensuring outcomes for all children are monitored and maximised. Pupil free days have been spent with staff and management reviewing outcomes and planning for improvements. All of these things needed to be done and will need to be reviewed on a regular basis.

The pupil free days represent the main cost of NQF implementation for our service. The benefits have been numerous, but include the following:

- Better communication between all staff members and between rooms
- Better communication between staff and management
- Stronger links with local schools
- Stronger policies and procedures in place
- A planning cycle steered by the QIP, rather than incident management
- Stronger focus on outcomes for children
- Stronger focus on what works and why it works

In other words, the benefits of the NQF far outweigh the costs.

The Commission is seeking views and evidence on:

- ***the effect of increased staff ratios and qualification requirements on outcomes for children***

NSW has worked for some time with a ratio of 1:10 for 3-5 yr olds and also required a university trained teacher for all services with more than 28 children. As this is different to other States, perhaps an analysis of AEDI data might answer this question.

In the meantime, perhaps the Commissioners should imagine themselves dealing with 4 children aged 0-2 yrs and compare that to dealing with 5 children the same age. Is it not obvious that the outcome would be better for the 4 rather than the 5? The 4 don't have to wait as long to be fed, comforted, nappy changed or put to bed. Is that not enough to make for happier, less demanding children? Conversation with community based LDCs in our area tells us that they had implemented the 1:4 ratio for under 2s well before it became mandated by the NSW Government, for the good of their staff and the benefit that that conferred on the children in their care.

- ***how ECEC providers are handling the pace of implementation of new staffing ratios under the NQF***

Ratios and requirement for a university trained teacher has not changed, therefore has not affected our service, although our director has upgraded her qualification to a Masters to ensure she meets the requirement for a "4 year trained" teacher (which now seems to have been dropped for existing teachers). A number of our Cert III qualified educators have upgraded to a Diploma in the required timeframe.

- ***the case for greater recognition and assessment of competencies as an alternative in some cases to additional formal training and qualifications***

There is no case for an alternative to a university qualified early childhood teacher!

For educators, the horse has already bolted. Older workers, who might have had the competencies but didn't want to train, have already left the sector.

- ***the impact of changes to staff ratios and qualification requirements on the cost of employing ECEC workers***

There have been increases in our wages bill with 3 staff members out of 20 upgrading their qualification.

- ***whether any increased staffing costs have been, or will be, passed on in higher fees charged to families.***

Higher costs for staff have been and will be passed on to families using our service. It is a requirement that the staff are qualified, but these increased costs are not recognised by the Government funding system in NSW.

The Commission is seeking information on:

- ***initiatives of governments to address workforce shortages and qualifications, including the cost and effectiveness of these initiatives***

Government needs to ensure that teacher training is of a highest standard and that training provided to educators across all RTO's is of equally high and consistent standard. The quality of online learning as opposed to face to face learning needs to be carefully scrutinised.

The need for indigenous educators where you have indigenous children should not be overlooked. They confer an enormous amount of trust onto the service, in the eyes of indigenous families.

- ***initiatives of providers to address their workforce shortages and skill needs, including the cost and effectiveness of these initiatives***

- ***particular locations and areas of skill for which it is hard to find qualified workers***

In Kurri, it is nearly impossible, on occasion, to find university qualified early childhood teachers to cover short term absences. This is because these teachers can earn significantly more money as a casual in the Dept of Education primary school system.

It is also becoming increasingly difficult to recruit and retain any suitably experienced university qualified teachers. Teachers are more aware of the discrepancy in pay between the early childhood sector and the schools and are not willing to forego the pay and superannuation available in the school sector. **Australia needs excellent teachers in early childhood settings and it needs to pay them the same rate as teachers with the SAME qualification in the school system.**

- ***the extent to which training/childcare courses enable workers to meet the requirements of the NQF and how training could be improved***

Both the Federal and State Governments provide subsidies to make training affordable, but only for employees of services funded by them. Paying double what others are paying works as a powerful disincentive to attend. As we embrace the NQF, surely all educators need to be receiving the same training?? Can there be some agreement on who will provide what training, and make it equally affordable for all in the early childhood field?

It is important that all staff have access to ongoing training to ensure access to current research and thinking. Conferences need to be affordable. Trainings and conferences are often far too expensive for childcare workers and cash strapped community based services to attend.

Training courses need to be provided regionally and face to face. Networking opportunities are as valuable as the training sessions. The NSW Dept of Education paid for all early educators and teachers in their services to attend Early Years Learning Framework (eylf) training sessions. These were offered exclusively to DET preschool staff, with no opportunity for the community based sector to attend!

The work Community Childcare Cooperative NSW (CCCCNSW) is currently doing to help services get on top of requirements for new legislation and Regulations eg Simple Guide to National Regulations and sample policies has been invaluable. They also communicate effectively to let services know when these things are available.

With all the assessment of early childhood services under the NQF, it would be good for **all** services to receive feedback on “best practises” identified throughout the sector. This could challenge services to think about their practises and inspire them to try new approaches.

There also needs to be someone who services can turn to for advice and assistance with required changes following their assessment. Perhaps this is again a role for CCCCNSW, to ensure that we don’t all keep wasting time and energy reinventing the wheel.

• other workforce and workplace issues, including any aspect of government regulation, that affects the attractiveness of childcare or early learning as a vocation.

Governments must do more to recognise the importance of and fairly remunerate early childhood educators for the job that they do, or no one will go into the profession. The days when it was considered ok to pay women less, because it was only a “second income” are long gone. It must be remembered that superannuation is directly linked to wages and low wages are condemning early childhood employees to a low standard of living when they retire. Let’s not forget that early childhood employees are largely women and can expect to live till ~87 years old – a long time on little super.

“The time is long overdue for society to recognize the significance of out-of-home relationships for young children, to esteem those who care for them when their parents are not available, and to compensate them adequately as a means of supporting stability and quality in these relationships for all children, regardless of their family’s income and irrespective of their developmental needs.”

From Neurons to Neighbourhoods Shonkoff 2000 p.6.

Are the requirements associated with more subjective aspects of the National Quality Standards, such as ‘relationships with children’, clear to service operators and regulatory staff? Is further guidance required?

“Parents and other regular caregivers in children’s lives are “active ingredients” of environmental influence during the early childhood period. Children grow and thrive in the context of close and dependable relationships that provide love and nurturance, security, responsive interaction, and

encouragement for exploration. Without at least one such relationship, development is disrupted and the consequences can be severe and long lasting. If provided or restored, however, a sensitive caregiving relationship can foster remarkable recovery.” Shonkoff 2000.

It isn’t enough to be present in an ECEC service, we need to continually drive the importance of relationships, giving clear examples of what good practice looks like. Perhaps visits to or videos of good practice need to be made available to other centres, or at least to the regulators.

Could the information provided on the ‘My Child’ website be changed to make it more useful or accessible to families? Are there other approaches to providing information to parents about vacancies, fees and compliance that should be considered?

Depending which part of the mychild website you access, you may or may not even find ANY reference to our preschool! It would appear that preschools are an afterthought, as they are not a core Federal Government responsibility. This only confuses parents – they don’t understand that different services are funded by different levels of government and that rebates and benefits are different for each. Nor do they understand the difference between private, community-based and school based services. Every year we have to try to explain why parents can’t claim the child care rebate for a child attending preschool, even when the parent is working or studying. Parents don’t understand that this is “the system” and tend to think we are just trying to be difficult! The system needs to be simplified and promoted more broadly.

The Commission is seeking information on:

• how particular regulations (including the NQF) impact on the structure, operations, cost and profitability of ECEC services — for example, are services consolidating or amalgamating their operations to reduce administration costs

Decreasing administration costs is one of the greatest furphies in early childhood education! The truth is that administrative work has to be done and the amount of it has only increased over recent years. If there is not an administrative assistant to do it, the Director is generally the one who ends up doing it – at twice the cost, or in her own time, which only contributes to burnout of early childhood professionals. Local public schools have a full time administrative assistant and a part time assistant in schools with only 65 children! We have twice as many children, weekly fees to administer, no “departmental policies” or personnel to rely on. **Without administrative support, even more people would be leaving the sector!**

There is, however, a need for more continuity in community-based management committees and awareness of and regard to responsibilities. The situation could be likened to a strata-title building – sometimes owners understand their responsibilities and manage their property very well. In other cases, a managing agent is appointed, because people don’t understand what is required, or can’t agree on a suitable course of action. Management committees come and go and often it is the director and/or admin assistant who keep track of what is required. Perhaps an external “managing agent” could do this more effectively.

• the share of fees that can be attributed to compliance costs (quantified if possible)

In very broad terms, our preschool now take the same pupil free days as the public school system and uses these days for additional training, reflection, communication and planning to ensure that we comply with the NQF. The cost of this is in the order of \$12 000/yr or ~1.8% of our total income stream.

- *the extent to which regulatory requirements are causing services to change the number or mix of children they care for*

- *the extent to which regulatory burdens arise from duplication of regulations and/or inconsistencies in regulations across jurisdictions.*

How could the NQF and other regulations affecting ECEC be improved — both requirements and their implementation/enforcement — to be more effective and/or to reduce the compliance burden on ECEC services or workers and/or administration costs for governments?

Are there lower cost ways to achieve the regulatory objectives for ECEC?

Are there areas currently regulated that would be better left to sector self-regulatory codes of practice or accreditation schemes?

Kurri Preschool has always been considered a high quality service. The advent of the NQF, however, has caused us to question the way we do things and make changes to continually improve the service we offer. Without the impetus of the Assessment and Planning visit and the subsequent rating, we would not have set aside the time required to do this, because there was always a more urgent priority somewhere else. It is too easy for services to keep doing what they have always done, if they are left in a self-regulatory environment. It is the review and reflection and improvements that lead to better outcomes for children, which is what the whole sector should be aiming for.

Some general questions about government support:

- *How does government support to families and childcare providers impact on accessibility, flexibility and affordability of childcare?*

- *Is the level of overall government support for ECEC appropriate?*

At \$34/day and even \$25/day for low income, fees for our preschool are not affordable for many in our community. Our only other source of significant income is the Government, so we would have to say that **the overall Government support for ECEC is NOT adequate.**

Some specific questions for families claiming government support:

- *Is it difficult to apply for or receive financial assistance for childcare?*

It is difficult to apply or receive financial assistance if your child attends preschool, even if you work or study full time. Sometimes even Centrelink staff do not understand the difference between “registered” care and “approved” care.

- *Is it straightforward to determine how much financial assistance you will receive?*

In our community, many people survive on casual jobs which come and go. It is difficult for them to even estimate their income, let alone what assistance they might receive. Most are so concerned about getting paid too much and having to pay it back that they overestimate their income, leaving them chasing their entitlements.

- ***What effect have government support for childcare and other family income support arrangements, such as paid parental leave and family tax benefits, had on demand for ECEC?***

- ***Have increases in support reduced the out of pocket cost of childcare for parents, or have fees just risen in response?***

How could government support programs be reformed to better meet government objectives for ECEC?

What financial contribution should parents be expected to make to the care and education of their children? To what extent should governments subsidise use of childcare and early learning? Should families reasonably expect to receive childcare support in addition to paid parental leave and family tax benefits?

If parents are getting paid parental leave, then they should not have access to subsidized childcare during that period. When children are young, often one parent is out of the workforce for a significant period of time ie families are probably at the most stressful period of their life financially. It is the worst time to be asking families to fork out \$3000/year for ECEC services. Without financial support, many would not make early childhood education a priority. **If Australia values education, we should value early childhood education and make it affordable for everyone.**

Is there scope to simplify childcare support? What changes could be made to the way childcare support is administered to make the process easier for parents or providers? Is the distinction between approved care and registered care necessary?

The distinction between approved care and registered care is not necessary and only confuses parents and sometimes Centrelink staff too. Parents using both the child care and preschool systems find it very confusing! Working parents who use preschool as part of their child care strategy can't understand why they can't apply for the Child Care Rebate in relation to preschool expenses as they do for long day care.

Should support be paid directly to parents, direct to ECEC services or some combination of these?

Common sense suggests it would be easier and cheaper to pay large sums to a relatively small number of services, rather than small sums to a vast number of parents. If the National Regulations state the qualifications and ratios required and this is the biggest single cost in any service, then maybe the cost of award wages for the required staff should be the basis of the payment to services, with a varying amount per child linked to the SEIFA of the area paid on top of this.

Paying child care rebates to parents has become all about political vote buying, not about efficient funding of a vital service. Take the politics out of it!

- *Where funding is paid directly to operators of ECEC services, what conditions should apply?*

It is obvious that funding private providers simply puts taxpayer money in shareholders pockets. Funding should be directly tied to payment of decent wages for the sector and reduction of fees for disadvantaged children.

- *What would be the advantages and disadvantages of different payment models?*

• *Should childcare assistance be subject to testing of family/parent income levels, or to other requirements such as a necessity to be participating in work, study or training? If so, what income thresholds or activity levels should determine eligibility? To what extent are such requirements currently abused? What are the advantages and disadvantages of such requirements?*

Too complicated – fund the services, not the parents.

- *Should childcare expenses be tax deductible for families?*

Childcare expenses should be tax deductible for families if both parents are working or studying full time or being a full-time carer of a child with a disability.

Is support appropriately targeted? If not how could it be better targeted (including less targeted)?

- *Should a greater (or smaller) proportion of the assistance be directed to: particular regions; particular types of ECEC; ECEC used for particular purposes — parents working, studying or undertaking other activities; or to support additional needs children or lower socioeconomic groups?*

Support needs to target Aboriginal, lower socio-economic and additional needs children. The only way to break the cycle of poverty is through education and this needs to start before formal education at school.

- *Is there scope to streamline and simplify access of providers to support arrangements for children with additional needs?*

Should support be extended to cover certain types of childcare not currently funded or to increase funding for specific types of childcare — for example nannies providing in-home care? If so what kind of support should be offered? What conditions, for instance accreditation requirements, should apply to such funding or funding increases?

Nannies providing in-home care are a personal matter for the family concerned and should not attract Government support, unless in a rural or remote area where other alternatives are not available. In this case, a minimum qualification of a Cert III would be required. Providing a nanny for numbers less than the ratios in childcare represents an inefficient use of Government (taxpayer) money. **Funding nannies would merely promote inequity whilst ever disadvantaged families are unable to afford an early childhood education for their children.**

What measures, if any, should governments consider to encourage employer provided childcare services?

Governments should lead by example and provide adequate ECEC services for employees in the health and education sectors.

Is there scope to rationalise and streamline the many types of funding provided by the Commonwealth or state/local governments?

The Commonwealth Government should fund all childcare and early childhood learning.

We hope that our views on early childhood education are helpful to the inquiry. We regret that we could not consult more widely or provide information on all points, but school holidays are not a good time for this sort of activity. Should you wish to discuss any of our points, we would be more than happy to host a visit to Kurri Preschool.

Yours faithfully,

Jannelle Gallagher
Director

Liz Raab
President, Management Committee

Janet Murray
Community Liaison Officer