

Clarendon Children's Centre (CCC) is a 40 place, community-owned long day care service in inner-suburban Melbourne. The Centre maintains a strong reputation for excellence in the local community and the introduction of the National Quality Framework (NQF) has been wholeheartedly welcomed by educators, management and families. As articulated in our Centre philosophy, "... we take pride in offering the highest quality early childhood care and education in an attractive setting where children are respected and recognised as holders of rights, and their safety and wellbeing is paramount. Children's learning and development is encouraged, supported and documented in an environment that promotes warm, nurturing and genuinely affectionate care and relationships. We value parents' contributions and support parents through the provision of information, advice and resources and through the opportunity to establish new networks. We have embraced the principles and practices of the Early Years Learning Framework and the Victorian Early Years Learning and Development Framework to support children to achieve their learning outcomes".

While we acknowledge that workforce participation is a priority of Government, we believe that the provision of high quality early childhood education and care (ECEC) should be considered, first and foremost, as an issue of children's rights as identified in the United Nations Convention on the Rights of the Child (and ratified by Australia in 1990).

The second *Report Card: The Wellbeing of Young Australians* (published by ARACY in 2013) notes that Australia ranks 30th out of 34 OECD countries for participation in early childhood education. While our participation rate has improved since 2008 (up from 72% to 85%) it is still not good enough. In her summary, Professor Fiona Stanley says "we must really take a serious look at early childhood...." **Clarendon Children's Centre believes that it is entirely appropriate that government continues to play an active role in the provision of high quality ECEC – including through regulation, guidance and financial support for services and families – and does not support any dilution or reduction of the NQF, nor any move to introduce self-regulation within the sector.**

Currently, CCC receives funding, support and/or regulation from three levels of government:

- Local Government – we have a lease and a funding agreement with the City of Port Phillip (CoPP) which includes both levies payable and subsidies received. In addition, CoPP provides an affordability subsidy directly to families with CCB entitlements of 25% or more. CoPP's support for ECEC services also includes training programs and networking forums for educators, provision and maintenance of a centralised waiting list (for council- and community-managed services), maintenance and up-keep of the building and grounds and registration/regulation of Food Act Premises.
- State Government – the Victorian Government provides funding for eligible children attending the licensed pre-school program at CCC (currently \$3,091 p/child p/annum) and also provides an Early Childhood Teacher Supplement (currently \$3,417 p/a). As well, the Victorian Government has provided a comprehensive program of subsidised educator training and capital works funding grants to support the introduction, and ongoing implementation, of the NQF. Licensing, regulation and assessment/rating under the NQF is administered by the State Government (although CCC has not yet been assessed under the new system).
- Federal Government – ECEC subsidies (CCB, CCR, SCCB and JET) are made available to families through the Child Care Management System (CCMS).

Demand for, and availability of, ECEC services

The vast majority of our children commence enrolment at CCC prior to their second birthday and continue attending until they transition to school. From mid-2013, we have used the CoPP centralised children's services waiting list to offer places when vacancies occur. The demand for childcare in this municipality is very high and it is not uncommon for families to wait for two years (or more) before being offered a place. Many families who have expressed a preference for their child to attend CCC will, unfortunately, never be offered a place. Unsurprisingly, this is extremely stressful and upsetting for families – as expressed by this parent who emailed me in December 2013:

"I just wanted to let you know that I am still looking for a place for 2014 for [my daughter] and if at any time next year a place becomes available I would take it straight away. With great regret I have had to resign from my job as I cannot get into childcare anywhere for January next year, and my employer has said once I can find care in 2014 they will "hopefully" be able to offer me my job back but no guarantee. I am in complete shock it is this difficult given I put [my daughter's] name down when I was pregnant and she is now 18 month old, thanks again for your correspondence to date I appreciate it and hope by some miracle a place becomes available next year." (GB – waiting list parent).

Other parents have also experienced long waiting periods before being able to find suitable childcare:

"I took 2 years Maternity leave to wait for a place at Clarendon CC. I know we could have probably found an alternative place if we searched hard, but having sent our other child to CCC, we wanted our second child to have the same high quality care with a familiar team of excellent [educators]. I would have [had] to reconsider my return to work if I couldn't access high quality education and care." (JH – current CCC parent)

"Despite having my name on the City of Port Phillip Waiting list when I was 3 months pregnant, when I was ready to go back to work when my child was 10 months old I hadn't secured a place at childcare for my child. I had to resort to using a nanny until we were offered care at childcare. While I am lucky I could afford a nanny, there would be many people that couldn't return to work because they simply could not secure a place in childcare. This is unacceptable." (TY – current CCC parent)

I also routinely take phone calls from parents who, while they do have childcare at another service, are unhappy with the quality of the care provided and are desperate to find a better alternative. For these families, the stress of continuing to use poor quality childcare so that they can maintain their employment can be extreme - especially when their child is consistently tearful and reluctant to attend.

"We had to wait for 2 years on wait lists until we were eligible for a non-private child care centre for our first child. The duration of this wait created some degree of anxiety for me personally, as I was concerned that my daughter wasn't receiving an appropriate level of care in the private centre I had to put her in, in the interim ... - most notably, there was an extremely high turnover of staff, informal movement of children between different rooms (for different age groups), infrequency of nappy changes, etc. By contrast, our current community-run centre is a very safe, nurturing environment with very low staff turnover. We have complete confidence in the [educators] and their care for our children, and we are able to go to work confidently with the knowledge that our children will have a safe and happy day with their friends." (MF – Current CCC parent)

It seems evident that families do anticipate a temporary reduction in income while the mother is on maternity leave, and budget accordingly. However, women's plans to return to work (and, therefore, the family's longer term financial circumstances) are frequently seriously compromised by their inability to find appropriate childcare. **CCC recommends that, rather than spend additional funds to increase payments under the existing Paid Parental Leave (PPL) scheme, government should direct these additional funds towards the provision of more, high-quality, childcare places in areas of high need.**

Children's Developmental Needs

CCC offers an early education program which is planned, implemented and documented by educators for all children (0-5 years) at the Centre. Our educators are skilled at planning developmentally appropriate activities and experiences for children, extending children's interests and abilities and identifying learning outcomes for children. The pre-school program at CCC operates in the context of the long day care setting (we do not offer separate sessional pre-school sessions and we do not take children out of the Centre to attend sessional pre-school programs at other services). Children generally transition to school easily and the feedback from both parent and primary school teachers indicates that most children are well-prepared to meet the new challenges of school education. We recognise that high quality ECEC is only possible when we have educators who are themselves well educated, resourced and valued:

"The service I work for is committed to and supports raising the qualifications of educators, high ratios and professional practice that is evidence based and constantly improving. The pay off here for families is enormous, firstly the program fits the child and family as educators spend time establishing partnerships with families, higher qualifications mean learning experiences go deeper with children - evidence shows this can increase IQ scores down the track."
(MS – EC Teacher)

CCC has been pro-active in encouraging and supporting educators to gain higher qualifications and currently exceeds the educator qualification requirements of the National Quality Standards (NQS). We employ three degree-qualified early childhood teachers (including the Centre co-ordinator) as well as three other staff members who have commenced, and partially completed, their studies for an EC teaching degree. In total, 75% of our educator team holds a Diploma qualification, or higher. As well, we routinely operate with better educator:child ratios than are currently required under the NQS (for example, we have 3 full-time educators working with 17 children aged 3-5 years).

CCC families are surveyed annually and asked a range of questions about the Centre. In the 2013 survey, when families were asked to tell us why they chose to enroll their child at CCC, the Centre's reputation for providing high quality education and care was identified as the most influential factor with 85% of respondents citing this as one of their most important reasons. This illustrates the fact that, while parents are certainly very keen to obtain a child care place for their child, they are discriminating about the quality of the education and care provided and this has a powerful influence on their decision on whether or not to accept a place. When asked to describe the Centre, parent responses from the 2013 annual evaluation survey make this clear:

"... warm and inviting. The teachers also make it inspirational in their classrooms".

"Warm environment for the children. The individual attention each child receives is great. The cuddles and energy the teachers offer is excellent"

"The centre environment is welcoming and nurturing for the children. It creates such a wonderful learning space where the children are free to create and express themselves "almost" freely".

"The atmosphere of the Centre is wonderful. I have complete confidence when I leave [my son] in the morning that he will be well cared for and will have a great day..."

" ... warm and caring with the focus solely on the children's care and wellbeing"

" It's a warm loving environment which as a mother makes you feel very confident leaving your child".

"It feels like a great place to grow. I feel happy and relaxed when I leave my children for the day as I know that they will be in a positive environment, with excellent educators and in a very safe place. They learn new things everyday too!"

(Annual Evaluation 2013)

Significantly, although our fees are lower than those of many other near-by ECEC services, this was not identified by parents as a reason for them choosing to enroll their child at CCC.

When considering the needs of disadvantaged, vulnerable or other additional needs children, the quality of the ECEC program becomes even more important. Over the years, we have provided care and education to many children with a range of additional needs. In several cases, it has been CCC educators who have first identified concerns with regard to a child's development – leading to early diagnosis and appropriate interventions. In most cases, CCC educators work collaboratively with other specialist services to provide the best possible outcomes for children with additional needs and to maximize the possibility that these children will be able to reach their full potential.

For example, in the case of two children with significant developmental delays who are currently attending CCC, the paediatric occupational therapist reported at the end of 2013:

"This year, we have seen [both children] make great gains in their development and their emotional state while at child care. They are both more settled in their behavior and are able to participate positively in the program. It is crucial for [them] to continue to receive quality child care which provides the stability, safety, stimulating learning environment and protection they need to prevent emotional trauma, overcome developmental deficits and prepare them for school entry."

(JC – paediatric occupational therapist)

Against initial expectations, the elder of these two children will commence primary school this year with his age-appropriate cohort.

Costs:

CCC charges a daily fee which is inclusive of all food, nappies and the daily educational program. Where some external specialist activities are provided (Yoga; Italian language classes), participating families are billed separately. Parents are invited to make a small voluntary contribution towards the cost of various incursions and excursions throughout the year.

In 2006/2007 our daily fee was \$58 (\$275 p/week). At this time (pre-CCR) all families were entitled to at least a minimum CCB subsidy so the maximum out-of pocket cost, after CCB, was \$51.99 p/day (\$250.25 p/week). In this financial year, our local Government (City of Port Phillip) introduced their Affordability Subsidy for all families with a CCB% of 25% or higher – equivalent to one third of the dollar value of the CCB subsidy. For families on maximum (100%) CCB the out-of-pocket cost in 2006/2007, after all subsidies, was therefore \$10.24 p/day (\$77.67 p/week).

In 2012/2013 our fee had increased to \$92 p/day (\$460 p/week). CCR was now available for eligible families, with an annual cap of \$7,500 per child per annum. The CoPP Affordability Subsidy continued to be provided as previously described. Out-of-pocket costs for families on 0% CCB was therefore \$46 p/day (\$310 p/week after adjusting for the annual CCR cap). For families on maximum (100%) CCB the out-of-pocket cost, after all subsidies, was \$14.54 p/day (\$100 p/week).

Table 1: Fee increases for low and high income families from 2006/2007 to 2012/2013

	Lowest income Family (1-3 days) Fee p/day		Highest income Family (1-3 days) Fee p/day		Lowest income Family (5 days) Fee p/week		Highest income Family (5 days) Fee p/week	
	06/07	12/13	06/07	12/13	06/07	12/13	06/07	12/13
Full fee	\$58.00	\$92	\$58	\$92	\$275	\$460	\$275	\$460
Child Care Benefit (CCB)	35.82	\$47.19	6.01	N/A	\$148	\$195	\$24.85	N/A
Child Care Rebate (CCR)	N/A	\$14.54	N/A	\$46	N/A	\$100	N/A	\$150 (averaged)
City of Port Phillip Affordability Subsidy	11.94	\$15.73	N/A	N/A	\$49.33	\$65	N/A	N/A
Out-of-Pocket cost to family	\$10.24	\$14.54	\$51.99	\$46.00	\$77.67	\$100.00	\$250.15	\$310.00

In summary, while the full cost of care has increased by \$34 p/day over this six year period, out-of-pocket expenses have increased by less than \$4.50 p/day for families on the lowest incomes and by less than \$12 p/day for the highest income families (and for high income families using part-time ECEC, out-of-pocket costs actually decreased over this 6 year period).

The Child Care Rebate has made a big difference to families, especially to those middle-income families who previously were eligible for only minimum CCB subsidy. Even so, for families with more than one child attending childcare, the out-of-pocket costs can mean that a high proportion of one parent's salary is spent on childcare:

“With CCR and one child in care, [childcare] is affordable for us. If I had to pay for 2 children in care, I would reconsider whether it was worth returning to work. I would still use childcare without the rebate, but I would find it very difficult if I was reliant on my own income alone. The cost of childcare (without rebates) has doubled in the past 10 years (comparing fees paid for our 10 year old vs 3

year old), while my health worker salary has increased marginally. Without the 50% child care rebate, child care would be difficult to afford. The government needs to subsidise the cost of high quality education and care for lower income earners to make it possible to continue in the workforce. I have a work colleague with 3 children who has left work as she will not earn a viable salary after paying child care fees.”
(JH – current CCC parent)

In the 2013 annual survey, we included a question about our fees for the first time. Of the 35 respondents who answered this question, only 2 respondents agreed that CCC fees are “too expensive” and all respondents agreed that our fees are “necessary to provide high quality care & education”. Parent comments supported the view that CCC fees are good value for money:

“I think childcare fees are too expensive anywhere and support more government funding (and definitely not lower salaries for the educators)”.

“They are expensive, but worth every penny. I know the money is spent on rewarding staff and maintaining quality”.

“Of course everyone would like fees to be lower!! However, the fees charged by CCC represent EXCELLENT value for money when compared to other centres in this area.”

“Fee levels for other centres in the area are as high as \$150 per day.”

(Annual Evaluation 2013)

“We are prepared to pay more for higher quality standards and care - however also acknowledge that some families are not in a financial position to pay too much. There needs to be a balance between quality and affordability so that parents (especially women) are financially encouraged to return to work if they wish.”

(MF – current CCC parent)

CCC supports the continuation of government funding that contributes to the cost of providing universally available, high-quality ECEC for all children and that gives the most financial support to the lowest income families, vulnerable families and families with additional needs.

Community-building and Social capital:

“CCC recognises that high quality care and education occurs when families:

- Are supported, valued and resourced as their children’s first and most influential educators
- Feel welcome at all times, and are encouraged to share their ideas, skills, interests, identity and culture
- Are actively consulted and informed about their children’s development and learning
- Have opportunities to contribute to the children’s activities and partner with educators to maximise their children’s learning and development
- Have opportunities to engage with each other and establish friendship groups outside the centre, cultivating a strong sense of community and belonging”

(CCC Philosophy)

Educators and management provide many opportunities throughout the year for families to participate in the children's learning program and also social occasions to support parents to make connections with each other. In the 2013 Annual Evaluation, 80% of respondents indicated that they had made new friends at CCC.

"The atmosphere is friendly and inviting and I feel like the staff and other parents are now ... my friends"
(Annual Evaluation 2013)

"I honestly love how the centre feels like a community. I get that definite sense and I appreciate that there's no requirement for a quick drop-off/pick-up like a lot commercial centres encourage. I love that families are encouraged to get involved."
(MV – current CCC parent)

For some families this may be their first opportunity to make connections with other families with young children and to begin to form the social networks that will support them as parents for many years. For others, who have perhaps moved into the local area from interstate or overseas and have few friends and/or family living nearby, this can be especially important. There are many examples of families (parents and children) from the CCC community who have maintained friendships that were first formed at CCC more than 20 years ago.

Flexibility:

CCC operates from 7.30am to 6.30pm on weekdays – in keeping with the standard operating hours for most long day care centres. We have no capacity to offer formal care outside of these hours, but a number of our staff are employed privately by families to provide babysitting and other in-home care on occasion. The Centre is registered for 40 places but consistently operates with 39 children attending each day – this does allow us some capacity to offer additional "emergency" care at times (eg. When a new baby arrives unexpectedly). We also make use of casual vacancies (families away on holiday; children absent due to illness) to provide "occasional care" if required although this is, by its nature, unreliable and inconsistent. While most children do not attend the full 11 hours each day, the extended opening hours are necessary to accommodate the varied work commitments of families:

"I will probably lean more on your longer hours when I return to work so having the centre open early and late is very important even if there are not as many kids that do stay after say 5.30pm"
(Annual Evaluation 2013)

As far as is possible, family requests to change their children's days of attendance are accommodated but this is generally dependent on a degree of negotiation and compromise with other families. Generally, parents recognise that additional days may not be available until the following new year.

"I wish I was able to secure another permanent day for our son, but appreciate that this is not possible mid way through the year as all rooms and places are allocated."

"The only reason I say that altering days of attendance is not flexible, is simply that it cannot be done ... the centre is full ... and this is understandable..."

(Annual Evaluation 2013)

Fees are charged on a daily (rather than an hourly) basis and this is both practical and necessary for several reasons:

- Staff employment is based on the full day of operation and cannot be altered even if, as occasionally happens, children don't start arriving until 8am or have all gone home at 6pm.
- Hourly fees would need to be significantly greater than 10% of the daily fee to provide the required income
- Administrative time (and costs) would be vastly increased if fees were to be charged on an hourly basis.
- If families were charged an hourly fee they would be locked into picking up at a set hour and there would be less flexibility and ability to respond to changing needs from day to day (eg. changed workplace demands or other variables such as public transport or traffic issues).
- The potential for error, and dispute, about fees charged would be greatly increased.

Workforce:

As is common in the ECEC sector, CCC employs educators on a full-time, part-time and casual basis and the majority of our employees are women. We recognize that the single most important factor in the provision of high quality education and care is a team of skilled, experienced, qualified and committed educators and so, over many years, we have striven to provide a work environment and employment conditions which support, and reward, our staff. We have our own registered enterprise agreement, created in collaboration with our staff team, which incorporates several components that serve to achieve that end. In particular, CCC employees are provided with:

- Above award pay rates which reflect qualifications, years of service and additional responsibilities.
- 9-day fortnight for full-time employees
- Superannuation paid at 13%
- 5 weeks paid annual leave per annum (pro rata for part-time staff)
- Rostered non-contact time for every educator
- Generous provision for further study and professional development

This has assisted CCC to become an “employer of choice” and to both recruit and retain high quality educators even in the current employment climate where many services are struggling to maintain a stable workforce:

I have worked at CCC for 9 years. I have had many opportunities to leave and work elsewhere but CCC offers me professional and personal support and growth and provides us with great working conditions and better pay than most other places. Providing a supportive workplace like this keeps people doing what they are passionate about ...”
(CC – EC educator)

Nonetheless, even at CCC, educator salaries are not truly commensurate with their professional roles, level of qualifications and considerable responsibilities. Because workforce costs in early childhood services represent such a high proportion of total annual expenditure (almost 85% at CCC), any increase in salaries necessarily results in fee increases for families. In the past, this connection has served as an argument to withhold or minimize pay increases for EC educators – on the basis that salaries should not be increased as it would make childcare fees unaffordable for families.

"... compared to teachers working in schools, my pay is uninspiring and certainly not a professional wage. The Government is evidently focused on ensuring childcare is affordable so women with children can take part in the work force. To maintain affordability the Government seems intent on keeping the cost of [EC educator] wages down ... My problem here, why should one group of people (childcare educators) have to suffer (with less pay) so that another group of people can have it all! It seems unfair and somewhat discriminatory to decide that the pay and conditions of what has been a traditionally female, unskilled workforce, should be kept low so that women in other demographics can take part in economic life and become prosperous. In my view EC educators need to be fairly remunerated, as this will enable the sector to attract and retain a highly quality workforce." (MS – EC teacher)

"The worst part about working as an early childhood educator is not being recognized as an important professional and earning minimal wages. It makes it hard to stay in a job that I am passionate about, studying for and committed to." (CC – EC educator)

It is unacceptable that EC educators (mostly women) are exploited in this way to support the return to work of other women working in different sectors. **CCC supports the application to the Fair Work Commission by United Voice to "address the low pay in the long day care sector of the children's services and early childhood education industry which has been caused by gendered undervaluation of the work ... and the loss of the outcomes of previous equal remuneration orders."**

Because we were already operating at above regulation requirements with regard to numbers of educators and qualifications of educators, the compliance with the new workforce requirements of the NQS has been relatively easy to achieve. The educator team at CCC has been active and whole-hearted in adopting the Early Years Learning Framework (EYLF) and in continuing their own learning. Educators realize that:

"High qualifications are so important if we are to provide high quality care and there is research to prove it. Educators need to be professional and knowledgeable to create nurturing environments for children." (CC – EC educator)

"I think it's important that Governments recognize and support all educators to become highly qualified. In some areas of the world with really high quality early childhood education, educators must have a bachelor degree to work with young children, just like in schools here. This would be so valuable for children – I know from my own experience, more qualified educators take children further in the learning experience, because they have the professional capacity to do so, and the knowledge of teaching practice that can only be learnt from wide reading, study and a commitment to becoming a better teacher through learning all there is know."

(MS – EC teacher)

"The NQS has impacted my work in a positive way because it has reinforced my understanding that children learn from a young age. As I become more familiar with [the Early Years Learning Framework] I understand that children learn from almost everything they do... I feel that high quality care happens when educators all work together to allow each child to shine..."

(JB – EC educator)

CCC believes that the requirements of the NQS regarding educator qualifications and educator:child ratios are essential to ensure the provision of high quality ECEC and the well-being and safety of all children. These requirements should be maintained and the timelines for achieving them should not be extended.

Administration:

As was to be expected with such broad and extensive reforms, the introduction of the NQF (with associated Quality Standards and new regulations) has certainly resulted in considerably increased administrative requirements in these initial years. CCC has created a new, part-time, administrative position to ensure that we have been able to meet these requirements effectively and efficiently. This new employee has undertaken several tasks directly related to the regulatory changes including:

- Update CCC policies to reflect changes to legislation
- Write and put into practice several new policies that were not required under previous legislation
- Undertake a self-assessment process against the new NQS
- Write and continuously update our Quality Improvement Plan (QIP)
- Become familiar with, and support colleagues in the use of, the new approved learning frameworks
- Support management and educators to be ready for assessment and rating (we expect this to occur in 2014).

The employee in this new role is a degree-qualified EC teacher. Although in some ways this has involved additional costs for our service, it has also provided additional flexibility and the ability to cover educator absences (when sick or on leave) with an educator who is already part of our team and who is familiar with the children and the learning programs. This provides some cost savings because we have reduced our need to employ casual staff and now almost never need to resort to employing (expensive) agency staff to cover educator absences.

We do expect that, ultimately, the introduction of the NQF, governed as it is by national legislation and administered by a single Regulatory Authority will have the effect of streamlining our administrative processes and compliance requirements.

With regard to rating and assessment, we anticipate that, under the NQF, this will be considerably more meaningful, and less onerous, than the previous Quality Improvement & Accreditation System (QIAS) which was administered by the NCAC. At our last QIAS validation visit (conducted in February 2011), the Validator assessed a total of 708 *quality indicators* (across 7 *quality areas*) as either "occurring" or "not occurring" at our Centre. Despite (or perhaps because of) the numbers of indicators assessed under the QIAS, the process tended to become something of a "tick and flick" exercise and there were many complaints across the sector about the subjectivity of the assessment process and the potential for services to obtain a "high quality" rating by bringing in additional staff and/or equipment for the validation visit. While over the years CCC was consistently rated as "high quality" across all quality areas, the validation reports we received under the QIAS were limited in their

ability to fully identify the particular strengths of our Centre. Clearly, the new rating and assessment system which has 58 *elements* (also across 7 quality areas) represents a significant reduction in indicators/elements. At the same time, because the rating process is so closely linked to our own QIP, we anticipate that the final assessment and report will more accurately and specifically reflect the reality of our programs and practices. Although we are still waiting to be assessed under the new system, reports from colleagues lead me to believe that this will be a less stressful, more supportive, and more valuable experience for all concerned. Once the first cycle of rating and assessment visits has been completed, both families and educators will have a powerful tool for gauging the quality of the services which their children attend and/or their own professional practice.

CCC supports the continued implementation and review of the NQF, as planned. In particular, there should be no consideration of any reduction in the Quality Standards and Government funding (including CCB, CCR, SCCB, JET payments and capital grants) should only be made available to services that are included in the scope of the NQF and are rated as, at least, *Working Towards the NQS*.