

LOCAL GOVERNMENT CHILDREN'S SERVICES REFERENCE GROUP

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Childcare Inquiry
Productivity Commission
Canberra City ACT 2600
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Dear Commissioners

SUBMISSION TO PRODUCTIVITY COMMISSION INQUIRY INTO CHILD CARE AND EARLY CHILDHOOD LEARNING

Please find attached a submission from the Local Government Children's Services Managers Reference Group (LGCSMRG) to the Inquiry into Child Care and Early Childhood Learning.

Local Government is a significant funder and provider of high quality and inclusive education and care services.

The LGCSMRG thanks you for the opportunity to lodge a submission for the consideration of the Commission and looks forward to the outcomes of the Inquiry.

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LOCAL GOVERNMENT CHILDREN'S SERVICES REFERENCE GROUP SUBMISSION TO THE PRODUCTIVITY COMMISSION ISSUES PAPER

About the Reference Group

The Local Government Children's Services Reference Group is comprised of Managers of Early Childhood Education and Care (ECEC) Services operated by 24 local councils, largely in the Sydney metropolitan region. This includes representatives from all of the largest local government providers of education and care services in NSW.

The Reference Group has worked very closely with Local Government NSW (LGNSW) on many education and care policy and funding issues since 2006, including LGNSW submissions made to a number of inquiries and consultations.

Local Government's Role in Education and Care Services

It is important to highlight Local Government as a key stakeholder in ECEC services via the sector's involvement and investment in this area.

Local Government in NSW is a significant funder and provider of not-for-profit ECEC services and has been for many years. Local Government ECEC services are planned, established and funded to be responsive to the needs of children and families in local communities. The councils that make up the Reference Group demonstrate a commitment to equitable access for low income, disadvantaged and vulnerable families; inclusion of children with disabilities; and culturally responsive services for Aboriginal and Torres Strait Islander peoples and culturally and linguistically diverse children and their families.

Local government has a long and proud history in providing ECEC services to its local communities. Councils provide substantial funding for many elements of children's education and care services. A survey conducted by the Reference Group in August 2013 identified that 13 Sydney metropolitan councils provided 4,230 places across 100 long day care centres. This does not include preschool, Family Day Care (FDC) or Outside School Hours Care (OSHC) places.

As at December 2013, 91 local councils (61% of all NSW councils) directly provided ECEC services; 46 councils provided Family Day Care (FDC) services; and 102 Outside School Hours Care (OSHC) services were operated by local government.¹ These services are often heavily subsidised with one example of a Sydney metropolitan council providing a subsidy of \$2 million. In some regions of NSW, local government is the only provider and funder of ECEC services.

Councils also employ staff, develop policies and plans, engage in partnerships and provide a broad range of community services, including the provision and maintenance of community facilities by a significant number of local councils at nil to 50% of market rentals for community-based / not-for-profit providers of ECEC centres.

¹ Community Child Care Co-operative NSW, Cred Community Planning & Australian Community Children's Services NSW, January 2014, *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care*, p. 11

Executive Summary

In this submission the Reference Group considers the following tenets to be fundamental to the achievement of positive outcomes for children from this Inquiry.

1. Children's Wellbeing and Education is the Priority

First and foremost, the positive outcomes that education and care services deliver for children's overall wellbeing and development are central to this submission, and should be central to the outcomes the Federal Government is seeking to maintain or achieve. Research evidence has clearly demonstrated the positive and long-term cognitive, social and educational benefits that early childhood education has for a child.

(See

eg <http://www.highscope.org/file/EducationalPrograms/EarlyChildhood/UPKFullReport.pdf>; <http://bit.ly/naplan-research-2013>; and the EPPE Project Final Report: <http://eprints.ioe.ac.uk/5309/1/sylva2004EPPEfinal.pdf>)

2. Continued Adherence to the National Quality Framework and Standard

The National Quality Framework has documented the minimum level of quality and standards to be delivered by all ECEC providers across Australia.

This should not be compromised in any way.

Many of the standards required by this Framework were achieved under the previous accreditation system and it is time now for all ECEC providers to deliver to and be assessed against these same standards.

3. Equitable Access to Early Childhood Education

Early childhood education is as essential as primary and high school education and, as such, provision should be publicly funded. This also would greatly strengthen and increase workforce participation by all, including women. Publicly funded early childhood services for the most socially and economically disadvantaged benefit a child in multiple ways, such as through access to nutritious meals, socialisation, education, nurturing, building connections to their local community, safety and security. These are the benefits to be highlighted for disadvantaged families, including children with additional needs.

Means testing for the Child Care Rebate and reallocation of some of this funding also could assist in achieving increased access for those who need it most.

4. An Integrated National Education and Care System

Benefits and rebates should be offered to all preschool services, in conjunction with recognition of preschool education being offered within a long day care environment as well as in a preschool setting. Why should one family be able to claim a benefit for an accredited service whilst another attends an accredited service for a distinct age group but is not able to access similar financial support, despite the positive educational outcomes for their child?

The removal of funding to for-profit service providers through Australia's tax system would also serve as an effective measure to support increased financial subsidies to be offered to families with children attending not-for-profit service providers such as preschools.

5. National Funding Arrangements that Support High Quality and Inclusive Not-for-profit Services

What needs to be made clear is that the provision of early childhood services is about children's development, learning and wellbeing and the rights of children to access high quality and inclusive education and care services from an early age. The National Quality Framework (NQF) supports this focus of the provision of quality early childhood education and care (ECEC) services to be about improving the learning and development of young children as the priority.

The Federal government should consider reforms to the current funding arrangements that include increased investment to support high quality and fully inclusive services, as well as the direct funding of not-for-profit education and care services.

The recently released report on surveys conducted with NSW local councils, *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care*, identified key elements of local government and community-based not-for-profit ECEC services that contribute to higher quality outcomes as assessed under the National Quality Standards as well as increased accessibility and affordability for disadvantaged children and families.

These include:²

- Higher staff to child ratios
- Staff stability and consistency
- More qualified staff
- More opportunities for family involvement in management and policy development
- Equitable pricing policies that increase affordability
- Higher access as compared to private for-profit service providers, for children under 2 years of age; children with additional needs; children from socio-economically disadvantaged groups, including Aboriginal and Torres Strait Islander children; and children at risk of significant harm.

Of the local councils responding to the survey, 55% believed, based on family feedback and survey outcomes, that their residents preferred ECEC services that were provided by local government; and that local government services set a high bar in relation to high quality ECEC services.

The release by the Australian Children's Education and Care Quality Authority (ACECQA) of the quality ratings assigned to ECEC services assessed in NSW up to 14/11/2013³ identified that:

- 14% were rated as *Exceeding the National Quality Standard*
- 29% were assessed as *Meeting the National Quality Standard*
- 56% were rated as *Working Towards the National Quality Standard*

The top rating of *Excellent* is awarded through a separate application and assessment process, so *Exceeding the National Quality Standard* is the highest rating awarded through the initial assessment process.

² *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care* (2014), ibid, pp. 35, 37

³ *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care* (2014), ibid, p.19

As is evident in the table below, 61% of all Council services assessed were awarded a rating of *Exceeding the NQS*; 26% were assessed as *Meeting the NQS*; and 13% were rated as *Working Towards the NQS*.

In comparison, only 4% of the for-profit services assessed were rated as *Exceeding the NQS*, 25% were rated as *Meeting the NQS*; while 70% were assessed as *Working Towards the NQS*; and 0.2% were rated as *Significant Improvement Required*.

As shown in Table 2, In NSW, of the 1,378 long day care and preschool services rated as at 14/11/2013:

- 84% of the services rated as *Exceeding the National Quality Standard* were not-for-profit community-based (42% not-for-profit community-based and 42% council-services) and only 16% were for-profit services;
- 80% of the services rated as *Working Towards the National Quality Standard* (that is did not meet the standards) were for-profit services, 17% were not-for-profit community-based and 2% only were council services; and
- 100% (two services) that were rated as *Significant Improvement Required* were for-profit services.

Table 2 National Quality Standard ratings by provider type (source: ACECQA Registers 14/11/2013 see Footnote 9)

	Total services rated	Total not-for-profit community services rated		Total council services rated		Total for-profit services rated	
	No.	No.	%	No.	%	No.	%
Received a rating of exceeding the NQS	213	89	42%	90	42%	34	16%
Received a rating of meeting the NQS	422	165	39%	39	9%	211	50%
Received a rating of working towards the NQS	741	125	17%	19	2%	590	80%
Received a rating of significant improvement required	2	0	0%	0	0%	2	100%
	1,378	379		148		837	

- From *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care*, Community Child Care Co-operative NSW, Cred Community Planning & Australian Community Children's Services NSW, January 2014, p. 19

Responses to Questions in Issues Paper

1. *What role, if any, should the different levels of government play in childcare and early childhood education? What outcomes from ECEC are desirable and should be made achievable over the next decade?*

It is disappointing that no level of government within Australia takes full responsibility for the funding, planning or provision of an integrated system of early childhood education and care services.

1 (a) **the Federal government**, as we know it:

- Funds child care benefit (CCB) and the child care rebate (CCR) directly to families
- Provides some operational assistance to some services
- Promotes universal access, and has previously funded universal access for preschool aged children
- Funds some inclusion support services
- Supports research and workforce development initiatives in early childhood

- Supports families with ECEC services information through the 'mychild' website

Its main role should be to protect, strengthen and embed the value and importance of high quality early education and care and the many benefits to the lives of children, families and communities, including a greater role in the provision of funding for non-for-profit services. Only families attending Commonwealth Government approved early childhood education and care services benefit from CCB and CCR. The Commonwealth has yet to administer approval under family assistance legislation for preschool families to benefit from this same assistance.

Since the move to a more market-based model of supply, no direct responsibility for the planning of ECEC services has been taken up by any level of government. As a result, there is both an over and under-supply of ECEC services in different areas due to market failure.

It is recommended that the Federal government assumes overall responsibility for the development and implementation of a national planning framework for ECEC services that works in collaboration with local government planning to ensure high quality and inclusive ECEC services are established to meet the needs and demands of local communities.

One strategy to achieve this would be to tie this national planning framework to existing CCB funding or to the public funding model of ECEC services as argued in this submission.

1(b) State governments should continue to have a role in regulating, monitoring and assessing services through the NQF system, ensuring there are ongoing comprehensive and strategic consultative processes in place to ensure consistency in the assessment and rating processes and that problematic areas are addressed through a transparent review system.

1(c) Local government receives little or no acknowledgement or recognition in the Issues Paper for the significant role that local councils play in the provision of high quality ECEC services that are accessible and responsive to local communities. In particular, local government often provides ECEC services in areas of market failure and sets the benchmark for quality services in a local area.

Local government undertakes a number of different roles in relation to ECEC services that include:

- funding provided by way of regular grants or subsidies to ECEC services
- direct provision of a range of ECEC services
- support to not-for-profit ECEC service providers through provision of free or subsidised premises
- subsidies and policies that support access for disadvantaged families, Aboriginal and Torres Strait Islander and culturally and linguistically diverse children, and children with additional needs
- planning and development of ECEC services
- advocacy in relation to planning, the need / demand for ECEC services in the local community and the importance of quality services

2. The Commission is seeking information on international models of childcare that may be relevant to Australia. The Commission has a particular interest in:

- **how the models affect child development outcomes and workforce participation**
- **the cost to government, families and the funding arrangements**
- **the types of providers and the financial viability of these**

- **the regulatory framework, particularly for quality assurance of providers, the facilities, and their staff.**

The National Quality Framework (NQF) and National Quality Standard (NQS) must be maintained in their current format until the legislated review. There is clear evidence that the investment in quality early education and care benefits young children and has a greater continued impact on their later life. Early education and care services should maintain this ethos and not be driven to profit making in order to survive.

*The Effective Provision of Pre-School Education (EPPE) Project*⁴, a longitudinal study of young children's development between the ages of 3 and 7 years, found that pre-school education (across all types of early years settings) enhances all-round development in children and aids better intellectual development. High quality pre-schooling is related to better intellectual and social/behavioural development for children, and highly trained staff does make an impact on the progress of a child.

Key findings of the study included:

- 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.
- Disadvantaged children benefit significantly from good quality pre-school experiences, especially where they are with a mixture of children from different social backgrounds.
- 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.
- Good quality can be found across all types of early years settings; however quality was higher overall in settings integrating care and education and in nursery schools (in the UK).

In relation to international examples of ECEC outlined in Box 2 of the Issues Paper, this Reference Group considers that the Australian Family Day Care model is superior to the example of home-based care in New Zealand that is provided in the Issues Paper. Local government is a major provider of Family Day Care services in Australia. Educators must hold a minimum children's services qualification in Australia, whereas in New Zealand, educators must hold only a first aid qualification.

The Reference Group notes with concern the recent trends for private FDC service providers to set up new FDC services and apply for Federal government start-up funding only to close down before being assessed under the National Quality Standard. A number of these providers have then set up again under a new company name and applied again for start-up funding. Some of the councils contributing to this submission have experienced these private operators approaching the council for copies of policies and procedures; and have advised their parents who are unhappy with their service to lodge their complaint with the local council instead of the service provider.

It is recommended that:

⁴ Sylva, K., Melhuish, E., Sammons, P., Siraj-Blatchford, I. and Taggart, B. (2004), *The Effective Provision of Pre-School Education (EPPE) Project: Final Report: A longitudinal study funded by the DfES 1997-2004*, p.ii

- the Federal government applies increased rigour in the administration and provision of the start up funding for new FDC services, especially those that are privately operated and have no history of accreditation / quality assurance; and
- any alternate ECEC models considered by the government must be part of a nationally regulated and quality assured system.

3. 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?*
- *which types of families are likely to require significantly more or less use of ECEC in the future?*

Affordability

Generally, across the several local government areas of the councils who have contributed to this response, it has been observed that early education and care services are more affordable for middle income families.

Often affordability is the main driving factor in a family's choice of ECEC service. Many families continue to contact centres to obtain an estimate of fees based on the level of benefit they will receive (both CCB and CCR), and the amount of "gap" fee payable will determine whether and for how many days they can afford for their children to attend, based on their disposable income.

It is evident that many families who are able to receive 100% in CCB still find ECEC fees unaffordable. The children in these families are the ones that miss out on such a wonderful opportunity to learn and grow within a high quality ECEC environment. Even when parents are receiving complementary assistance eg through the JET scheme, and fees may work out to be \$3.00 - \$5.00 per day, this can still sometimes be outside of their daily budget.

Children with additional or high support needs

Local government ECEC services have seen an increase in the number of children attending with additional or high level support needs. Priority lists for children with additional needs can assist this process to ensure they have some access to mainstream services. It is the experience of local government services that many for-profit providers exclude children with additional or exceptional needs, for several reasons:

- their own staff are under qualified
- lack of qualified early childhood teachers
- no training or resources provided to assist staff to cater for the needs of children.

Local government services generally will work with other specialist providers to ensure the needs of the child are met, and often this is in partnership with specialised services that the child also will attend.

Responding to the AEDI and vulnerable children

A focus on and response by the Australian government to data and information such as the Australian Early Development Index (AEDI) regarding children that are vulnerable in one or more of the developmental domains would improve access for vulnerable families requiring further access to ECEC services in the future, as well as access to other support services, for example extensive family support services.

Isolated families / families with no support

There are increasing numbers of families with no other family / community support using early childhood and care services. These families have no community contacts or local families to rely on as an emergency contact or to support them in any emergency situation. The ramifications of this are significant as many parents are not knowledgeable about local services or the quality of services being provided; often they can feel desperate and will accept the first ECEC place they find, regardless of the quality of the service or outcomes for the child.

Increased demand for and use of local government provided ECEC services

Member councils of the Reference Group have noted increased demand for and attendance at council operated ECEC services, based on increased recognition by families of the high quality services. This increase in demand is reflected also in the number of council staff choosing to place their children in a council service when they return to work from parental leave, including staff working in ECEC services.

Children aged 10 – 14 years

There is ongoing unmet demand for appropriate ECEC services for children aged 10-14 years, who may be too young to be at home after school or during school holidays but are not always well catered for in OSHC and vacation care services. This need has been raised previously with government but minimal support has been provided to cater for the needs of this age group.

4. 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.

- **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?**

As stated on p.6 of this submission, *The Effective Provision of Pre-School Education (EPPE) Project*⁵ found that pre-school education (across all types of early years settings) enhances all-round development in children and aids better intellectual development. High quality pre-schooling is related to better intellectual and social/behavioural development for children, and highly trained staff does make an impact on the progress of a child.

This study also identified that, compared to none, preschool experience enhances overall development in children; an earlier start (under age 3 years) is related to better intellectual development; and disadvantaged children benefit significantly from good quality pre-school experiences, especially where they are with a mixture of children from different social backgrounds. . ***“To set the basis for Australia to become a top-tier system and to realise the potential of all students, children need access to high quality early learning programs from before they turn three until school entry.”***⁶

The first years of life impact the success children will experience later in school and employment. Early experience affects the development of the brain and lays the foundation for intelligence, emotional health and moral development; and healthy early development, including

⁵ Sylva, K., Melhuish, E., Sammons, P., Siraj-Blatchford, I. and Taggart, B. (2004), *The Effective Provision of Pre-School Education (EPPE) Project: Final Report: A longitudinal study funded by the DfES 1997-2004*, p.ii

⁶ Melbourne Graduate School of Education, *Focusing on the learner: Charting a way forward for Australian education*: July 2013, p.16

school readiness, depends on nurturing and consistent relationships.⁷ Greater exposure to language and caring interactions supports social and emotional skills development, which are the foundation of lifelong learning, scholastic and workforce success.

There is evidence from Australia that there are strong links between family financial disadvantage and children's readiness for school.⁸ Children from financially disadvantaged families showed lower readiness for school than their peers from non-financially disadvantaged families, and a lack of access to early childhood education reinforces this disadvantage when entering kindergarten.

American research on the *High/Scope Perry Preschool Program*,⁹ demonstrates that a high-quality program for young children living in poverty, over their lifetimes, improves their educational performance, contributes to their economic development, helps prevent them from committing crimes, and provides a high return on taxpayer investment – the return on investment is over \$17 per dollar invested in ECEC provision.

There is a need for recognition by government and families that preschool programs being provided across long day care centres as well as specific preschool services are interchangeable. Programs offered are no different even though a service may, over the longer term, care for a wider age group.

In the experience of this Reference Group, early childhood teacher qualified staff ensure this continuity and quality for preschool education within long day care (LDC) environments, and this is a benefit these services have over for-profit or private providers. This is the level of quality expected and delivered by local government ECEC services.

A focus upon “transitioning” to school is a component of most LDC services with well developed links to local primary schools and support agencies that enable a smooth transition to school. “Preparedness” for school occurs within the learning context of the LDC services with services linking preparation to school to the Early Years Learning Framework (EYLF) and the outcomes of the framework to support this continued development.

Quality services working in a collaborative partnership with parents support the learning and development outcomes for young children at any point that young children enter ECEC services

Research undertaken by the University of Melbourne¹⁰ using data from the Longitudinal Study of Australian Children (LSAC) survey confirmed the importance of high quality pre-school programs for later cognitive outcomes, concluding there was a significant positive association between pre-school attendance in the year before starting formal schooling and Year 3 NAPLAN test scores; that the benefits of preschool are most significant among children whose teacher was qualified in child care or early childhood education; and in general, children whose

⁷ Elliott, A. (2006), *Early Childhood Education – Pathways to quality and equity for all children*, Australian Education Review, Melbourne. p.21

⁸ Smart, D, Sanson, A, Baxter, J, Edwards, B & Hayes, A 2008, *Home-to-school transitions for financially disadvantaged children*, Australian Institute of Families Studies and The Smith Family, Melbourne

⁹ High/Scope Educational Research Foundation (2005), *The High/Scope Preschool Educational Approach*, Michigan, p.12

¹⁰ Warren D., and Haisken-DeNew J.P., 2013, *Early Bird Catches the Worm: The Causal Impact of Pre-school Participation and Teacher Qualifications on Year 3 National NAPLAN Cognitive Tests*, MIAESR, University of Melbourne,

preschool teacher had a teaching degree without a specialisation in early childhood education did not benefit as much.

- ***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?***

There is no support to increase the hours of school. Schooling past 3.00pm may have some impact on learning and development outcomes; however there is no evidence at this time that extending the length of the school day will have a significant impact on children's learning and development outcomes or parents' workforce participation decisions.

It should be noted that many people spend significant time travelling to work or are without adequate public transport.

There needs to be acknowledgement of the impact on a child who attends before and after school care, school and vacation care services for up to five days per week. How can the needs of the child be foremost in this extended provision of care? The social impacts of children and families being in care for extended periods of time must be examined in this context, including the capacity to employ professional staff for extended hours of care when they, themselves, need to have that flexibility and family friendly workplaces for their own families and children; and the impact on the development of a child.

Some corporate responsibility is also relevant and required. There needs to be support from parents who are working away from families, and the need to recognise the role of the family in the provision of benefits and services. There needs to be investment at a corporate level in order to drive a partnership with an employer to subsidise or provide local early education and care places for children and families to balance home and work life.

5. 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?

- ***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?***
- ***Has increasing workforce participation by mothers increased demand for childcare, or has improved availability, affordability, and/or quality of childcare led to increased participation?***
- ***How have government ECEC support programs affected workforce participation?***

Quality education and care for children must remain and be continued as a basic requirement. The implementation of the NQF and NQS supports this, however affordability will drive some parents to choose lower cost care over quality education. What this Reference Group has identified in the experience of member local councils is those parents do return to council operated services when they have concluded that level of quality is required for their child.

Spending time with families and achieving the work life balance is now a dream or an aspiration for many families; the new normal is to maintain work commitments and utilise ECEC services to do so. In the current ECEC service system, the child has become a commodity with a money value – this is the epitome of a market driven system. All ECEC choices must be based on high quality, as assessed under the NQF and NQS, to ensure that choice can be maintained and children continue to have equitable access to quality ECEC services as a fundamental right.

Choice can be only maintained if quality is provided across the board as a minimum, based on the NQS.

Some of the “trade offs” identified are:

- Location
- What places are available by age group
- What is affordable
- Whether one will accept less quality
- A drop in the standards of parents (accepting the minimum in order to make ends meet)
- Increasing hours worked per day in order to “cram the care into a smaller number of days”.
- Accepting poor quality care in desperate situations of market failure and taking what is available as the market does not always provide quality across the board (often it is those who are socially and economically disadvantaged who end up with these morsels).
- More working from home on the days without care
- Impact of traffic and getting to work on time and back again to the service to pick up children.
- The withdrawal of care at the end of an arbitrary time period for at risk and seriously disadvantaged children and families who are utilising services with the support of programs such as Brighter Futures, disadvantages children who truly benefit from being in care. This program assumes such families are ‘back to normal’ after the period of funding and program support ends when this is not the case. This is an area where 100% CCB = free fees should be provided, for the sake of the child/ren.

As an example, Campbelltown Council offers half day care to provide families with the choice of attending for part of the day to assist those families whose work care arrangements require only part time care.eg shift workers.

In order to support workforce participation, families require access to information to help inform their decisions regarding accessing a “quality” ECEC service, and the impact that “quality” has on the learning and development of their children.

This includes continuity in and commitment to:

- Implementation of Quality Improvement Plans
- Undertaking an assessment and rating process
- Understanding the distinction between “ratings” of services

The provision of a complete “orientation program” to an ECEC program for families enables them to make a decision on enrolling in a service based upon an informed choice regarding hours of care, staff to child ratios, qualifications of educators, assessment and rating system results, pedagogical approaches and service programs. The information available should be comparable under the NQF and NQS for every ECEC service across Australia.

6. The Commission is seeking information on:

- ***the extent and nature of unmet demand for more flexible ECEC***
- ***the reasons why current providers are not offering more flexible care options***
- ***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.***

The capacity to recruit qualified educators wanting to work out of hours and on weekends is a barrier in delivering these services, as these educators also would benefit from their own children accessing a flexible care arrangement. It needs to be noted that recruitment of qualified educators is already a challenge due to the shortage of such educators. Changing opening and closing hours to extend the range provided to suit the majority of families already occurs, and this is based on survey feedback from existing parents.

It should be noted that Family Day Care is a current option for individual requests for flexibility to meet family needs for extended hours and weekend ECEC options. This provision and acceptance of a mix of care options can suit families, and government benefits should accommodate and reflect this use of a mixture of services.

7. 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***
- ***the extent to which additional needs are being met by mainstream ECEC services or specialised services***
- ***key factors that explain any failure to meet these needs***
- ***what childcare operators and governments can do to improve the delivery of childcare services to children with additional needs?***
- ***the types of ECEC services which work particularly well and would be viable in regional and remote locations.***

The needs of disadvantaged, vulnerable or other additional needs children are not being well met and, in some areas, not being met at all. Rural and regional areas face significantly more problems than metropolitan areas.

Current support services funded through ISS and SCAN do not offer any incentive to provide care for children with additional needs. **ISS and SCAN funding is limited and does not cover a full day of care** in long day care / preschool services. ISS funding to support 5 hours is not enough for a child who attends for longer than this; a child's needs do not end after five hours. Children with additional needs are also supported by linking with other professional support agencies and developing an integrated plan to support the individual child.

Many privately owned and operated services are not accepting children with additional needs, not meeting the needs of these children when in care and/or often turn away children with additional or exceptional needs. Local government and community-based ECEC services offer places for children with additional and exceptional needs, but also have to limit the total number in care to ensure centres can cater appropriately for their needs and ensure links are made to other specialist services.

Another major issue identified by local government services is that there has been a steady increase in the number of children without a formal diagnosis but who require some level of assistance and additional support for their development. ISS funding is not available where children have high support needs but do not have a formal diagnosis. ECEC services require funding and resources to support the ongoing care of all children with additional needs.

It is recommended that:

- ISS funding be increased to more effectively support children with additional needs; and close the “gap” between funding and the “actual” costs of employing additional support staff and training of educators to support children in the services;
- funding to support and reflect a smaller ratio for children with additional needs is essential to ensure the needs of children with additional needs are met and they are continued to be integrated into mainstream services; and
- funding support be available for children with additional and high level support needs who do not have a formal diagnosis.

A priority waiting list for access, or limiting the number per site so as to not burn out staff are two small suggestions at a service level.

Within Campbelltown and Penrith Council services, child and family workers work in 6 LDC services across each week providing support for families, children and the staff. Campbelltown City Council offers a Partnership in Early Childhood program in partnership with the Benevolent Society and offers families and children access to specialised support services. Penrith City Council has a partnership with Gateway Family Services who provide Family Support Workers in 6 LDC services and can support the centres to build their capacity to work with vulnerable families.

Specialised training to support educators to assist families from disadvantaged and vulnerable backgrounds is a component of many local government ECEC services.

8. 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*
- *changes in the use of ECEC, including the type of care used (formal and informal), in response to changes in the cost of care*
- *the extent of price competition between providers and the effect this has had on fees and the quality of services provided*
- *the flexibility providers have to price in response to demand and/or to meet the particular care and learning needs of children.*

The affordability of fees will continue to be an issue for Australian families. Fees provide the income required to support appropriate training for educators, award salaries for qualified educators, resources for children, nutritional menus, rent, rates, utilities costs and maintenance of the premises they operate from, and general administration of a service.

There should be no room for profiteering from fees by ‘off-setting’ the level of quality of a service - **quality does cost money and all children deserve a high quality service**. Many parents struggle to pay bonds on top of their gap fees (bonds constitute 100% of full fees, without CCB or CCR benefit attached). Some council services offer a repayment plan for bonds for families who are financially struggling.

Vulnerable families cannot afford to access quality child care, even when the maximum fee assistance is applied. A reduction of hours may be more affordable but this is a risk to a child’s overall development. Access to quality programs close to families’ homes need to be accessible by public transport.

Currently it is not as common to receive a five day enrolment. The ABS identified that informal care, such as grandparents and extended families, is still in use by many families, often to

complement formal care in order to minimise costs. Parents also are working more from home and working condensed hours, such as working full-time hours across 4 days instead of 5 days.

The lack of pay parity for teachers between the early childhood sector and the school education sector often results in the loss of teacher qualified staff to the school sector.

9. *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.*

Many local government operated ECEC services implemented the 1:4 ratio for educators working with children under 2 years and minimum qualifications for all ECEC educators before the new national regulations were introduced.

Private for-profit providers are playing “catch up” to where local government has been for many years. Local government is often providing above and beyond and has done so before the NQF was implemented. New regulations and standards have formalised processes requiring all providers to now meet these standards.

The mandated reduced staffing ratios improve the quality of care, and evidence suggests that a 1:3 ratio for children under 2 years would improve quality even further. Many local government and community-based ECEC services already staff at this 1:3 ratio. The mandated 1:5 ratio for children aged 2 to 3 years is essential and evidence from the EPPE study confirms this results in dramatically improved outcomes for children.

10. *The Commission is seeking views and evidence on:*

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

Research evidence confirms that children attain better outcomes in high quality ECEC services / programs when there are high educator to child ratios and ECEC qualified staff.

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

Many local government ECEC services already had higher educator to child ratios and more qualified educators prior to the introduction of the National Regulations and welcomes the implementation of NQF standards and associated milestones.

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

There **must** be formal relevant qualifications and ongoing quality in-service training for all educators working in ECEC. Research evidence demonstrates the importance of ECEC qualified educators.

Quality assurance is required for RTOs, pre-service and training institutions. Experience **cannot be** recognised as an alternative to formal qualifications and training.

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

The negative impact on children’s learning and development of not employing suitably qualified and experienced educators far outweighs the costs of employing experienced and qualified staff.

There is a need for continuing Federal government support for the attainment of required and ongoing ECEC qualifications.

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

As stated in the Executive Summary: first and foremost, the positive outcomes that education and care services deliver for children's overall wellbeing and development are central to this submission, and should be central to the outcomes the Federal Government is seeking to maintain or achieve. Research evidence has clearly demonstrated the positive and long-term cognitive, social and educational benefits that early childhood education has for a child.

Any actions taken to address affordability for families should not dilute the national quality outcomes, standards and/or outcomes for children.

It is essential to retain the existing NQF formats, milestones and a continued commitment to high quality ECEC service provision with the best outcomes for children.

11. The Commission is seeking information on:

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

It is recommended that the Federal government:

- **continues their support / subsidies to reduce the cost of education to obtain ECEC qualifications; and**
- **investigates the establishment of pay parity for early childhood qualified teachers with teachers in the school education system as an attraction and retention strategy.**
- ***initiatives of providers to address their workforce shortages and skill needs, including the cost and effectiveness of these initiatives***

Government support is needed for providers to be able to offer relocation, housing and incentives to attract qualified teachers to rural and remote locations. It is recommended that the federal government implement salary incentives ***similar to the incentives provided to the publicly funded school education system.***

Local government has generous provisions for all educators to access / enrol in formal study courses as well as providing ongoing internal and external training and in-service courses / skills upgrades and development. This includes paid practicums and additional paid leave entitlements; payment for enrolment fees; and paid study/exam leave.

It is imperative that up-to-date information and research evidence is included to ensure currency education and training programs. Training providers, including university programs, must provide up to date information and practices to support educators in the field.

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

As above; and educators' lack of knowledge and skills in under 2s education and care programs and children with additional needs

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

Require increased access for students to have increased practical experience; and increased provider input to the development and review of courses.

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

Local government has a reputation as an employer of choice due to the high quality of services and high levels of staff support and training; and is a strong advocate of the NQF and children's rights.

12. 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?

The guidance for the quality requirements related to development of relationships with children is led by highly qualified staff that understand the importance of attachment theory.

Current standards allow suitable subjectivity to allow for local context while being framed by a rigor of standards approach to reflect evidence-based practices that encourage innovation.

13. 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?

This website provides families with the opportunity to research basic information on ECEC options.

14. 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***

Local government services will continue to evaluate service provision to achieve best practice and value for money while maintaining high quality for children.

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

It is a priority that Government recognises and requires high levels of compliance for ECEC services for children, infants and young children, as should be the case; and continues a commitment to the rights of children.

Fees ensure compliance requirements are met.

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

Unfortunately many for-profit services continue to not provide ECEC services for infants – children under 2 - due to staffing, set up and ongoing costs that reduce profitability. Where they do provide for this age group, the fees are significantly higher.

Children with additional needs also are not enrolled or provided for in the same numbers as in local government and community based ECEC services. As a result, local government operated services are seeing increased numbers of children in these categories.

Local government continues to provide ECEC services for significant numbers of children with additional needs and Aboriginal and Torres Strait Islander children in their programs.

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

There are some inconsistencies in the way some issues are addressed - eg between immunisation / vaccination requirements under State legislation vs the National Regulations and Law.

The NQF formalised and documented many of the practices of local government and the not-for-profit ECEC service providers in that it established standards already in place in those services to support provision of high quality services and outcomes for children.

An increase in staff ratios and qualifications enables educators to better meet the outcomes of the EYLF and ensures that a continued commitment to improving outcomes for children's development is maintained.

Recognition of qualifications and the requirement to implement the National Quality Framework principles is essential.

Formal training on the requirements of the NQF and NQS ensures that educators' currency of understanding of ECEC is maintained, and ensures a commitment to continued learning and development of educators. A number of councils employ a training and research officer in the education and care services section to assist with this.

15. *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?***

The NQF is a great step forward for children and families.

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

It is essential that the NQF requirements are not in any way watered down.

As mentioned earlier, remuneration is a factor for the acquisition and retention of qualified and committed teachers and educators. Recognition of the level of skill required to deliver a quality program that improves learning and development for all children is essential, and must come from the Australian Government as part of its commitment to the national education system.

What must be noted is that remuneration was an issue before the NQS was introduced. Early childhood educators have been poorly recognised for their skills and expertise for many years.

16. *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?***

Some specific questions for families claiming government support:

- ***Is it difficult to apply for or receive financial assistance for childcare?***
- ***Is it straightforward to determine how much financial assistance you will receive?***
- ***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?***

The central focus must be on the wellbeing and outcomes for children. High quality outcomes take priority over costs to families.

Affordability may be addressed by providing public funding for ECEC services; and means testing the CCR.

17. Some questions specifically for service providers:

- ***Is it confusing and/or costly to deal with the large number of programs and agencies administering ECEC support? Is there overlap, duplication, inconsistency or other inefficiencies created by the interaction of programs?***
- ***Do existing arrangements for delivering support present any difficulties for ECEC providers in assisting families with resolving eligibility or payment issues?***

The Special CCB program should be extended to stop children and families from “falling through the gaps”. This program must properly provide support that vulnerable and at risk families need to access ECEC services. Currently it is difficult and time-consuming to get SCCB approvals, even when authentic documentation is provided. The short-term nature of these programs can set families up to fail and acts as a disincentive to ECEC providers to continue to provide a service for families and children in crisis and with vulnerabilities.

The time-frame for approvals can be very difficult to administer and manage operationally as places are held open while waiting for answers back from DEEWR regarding approval of SCCB.

- ***Which government support schemes do you consider are warranted, well designed, and efficiently implemented and administered and which are not? Which schemes do you consider offer the most assistance to your operations?***

ISS and JET. However, these are not well enough funded and not available to families when needed, or until a child has a diagnosis, despite qualified teacher observations. As a result these programs often are not cost effective; or based on a minimum wage level that is insulting. As a result, additional staffing costs are highly subsidised by the provider, who is almost always a local government or community-based ECEC provider.

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

Increase funding; and shift the policy focus to publically funded provision of ECEC services.

19. 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?

As much as they contribute to the public education system / public schools.

- **Should families reasonably expect to receive childcare support in addition to paid parental leave and family tax benefits?**

Public policy linkages are needed; and yes, support is always needed. Parental leave & Family Tax Benefit are separate issues.

- **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?**

Combine CCR and CCB and pay them directly to the service provider.

- **Is the distinction between approved care and registered care necessary?**

LDC, OSHC and FDC as well as some Occasional Care Services are in receipt of CCB and all operating under ECEC Regulations, as do Preschools. Therefore Preschools families also should be eligible for CCB.

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

This has been addressed elsewhere in this submission.

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

Needs to be explored by Government

- ***Is support appropriately targeted? If not how could it be better targeted (including less targeted)?***
- ***Is there scope to streamline and simplify access of providers to support arrangements for children with additional needs?***

Yes and to provide prompt service/answers /access increased funding and with equitable and clear guidelines for implementation and acquittal administration.

- ***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?***
- ***And if so what kind of support should be offered? What conditions, for instance accreditation requirements, should apply to such funding or funding increases?***

Most definitely not. Existing ECEC services such as FDC and in-home care are regulated, approved and already have capacity to meet families' needs for flexible family/work life balance.

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

Partnerships and Government incentives to employers to provide employer subsidised or provided child care, eg Zurich Bank.

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

As stated earlier in this submission, provide public funding to not-for-profit ECEC services as is the case with public schools.

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