

## **Productivity Commission Submission – Burns Bay Cottage**

### **Philosophy**

My name is Kay Doyle. I am an early childhood-trained teacher (ECT) and the Approved Provider for Burns Bay Cottage in Lane Cove and the Forest Childcare Centre in Frenchs Forest. During my career, I have taught in Infants Schools and worked as a Headmistress dispatched by the Department of Education as a trouble-shooter to redirect problem schools in both rural and urban schools. I chose to move to the long day care part of the Early Childhood sector in 1986 and my experience includes teaching, directing, administering and owning services. I provide consulting services for other centres drawing on experience of both the for-profit and not-for-profit sectors. In addition, I have operated registered training organisations providing in service and qualifications training for early childhood educators. I continue to collaborate with foreign investors wishing to establish ECEC services in Australia, and to help train educators for work in ECEC sectors overseas. My submission will thus include material drawing on my experience of child development and learning, my perspectives of the leadership and financial / administrative demands of owning and operating long day care centres, and regulatory compliance from both training and centre operation perspectives.

Throughout my career, I have been guided by a single overarching principle: the best interests of children and their families is the most important issue in early childhood education and care (ECEC). I run a for-profit business and often find that cost pressures are in tension with the demands that must be satisfied to offer high quality ECEC but I believe that the challenge is to run my business without compromising on quality. For example, I have operated rooms with children under two years of age at a 1:3 staff-to-child ratio for many years because this is what is necessary for rooms to operate smoothly and to provide meaningful education, and I then look to see how to make this work in a business context. There is an alternative approach which the failed ABC Learning Centres typified, whereby quality is sacrificed in the drive for reduced costs and maximised profit and regulations are seen not as minimum standards but as needing to be satisfied by the narrowest possible margin. This low-quality maximum-profit approach has led some to argue against increased standards, improved qualifications, higher staffing levels, and external monitoring. This approach favours self-regulation and opposes recognising ECEC staff as the education professionals they are, and is a blight on the industry. I recognise its validity as a business model but it is not a valid approach if the quality of education is the priority; it is based on an outdated perspective of ECEC as babysitting so that parents can be at work. The importance of the first five years of a child's life for his or her life has been well-established and businesses operating in the ECEC sector must not be allowed to maximise profit at the expense of our children's futures.

Unfortunately, a similar tension is present in the Terms of Reference (ToR). Supporting increased workforce participation, particularly for women, is a noble goal that, in the abstract, might be most efficiently achieved by widely-available and low-cost babysitting rather than high-quality ECEC. Government support for unqualified nannies, the removal of regulations aimed at ensuring educational standards with related relaxation of qualifications requirements, and staffing reductions would reduce the costs for parents. Such an approach is consistent with the Commission working "within existing funding parameters" (ToR item 6), but is totally inconsistent with "optimising children's learning and development" (ToR item 1). The best interests of children is the priority issue for parents and educators, and is also in the

long-term interests of Australian society and economic development. Parents do not seek increased workforce participation at the expense of their children, and I submit that the Productivity Commission needs to interpret ToR item 1 as mandating increased quality of the ECEC sector in ways that also support workforce participation. Approaches that support workforce participation at the expense of child development and learning are antithetical to the social and economic best interests of Australia over the long term. I hope that the Commission will recognise this and resolve the conflict by placing the needs of learning and development as central to the inquiry.

## **High-Quality Early Childhood Education**

Before considering the specific issues raised by the Productivity Commission in its Issues Paper, I would like to discuss what I mean by high-quality ECEC. The Early Years Learning Framework (EYLF) recognises that education begins at birth and that child development occurs through play-based interactions with their surrounding world. The amount that children learn in the period before commencing school is truly astonishing. Starting as helpless babies, able only to communicate by crying, children learn to walk, to feed and toilet themselves, and to comprehend their surrounding world; they learn to act on that world in a variety of physical ways through increasingly complex gross and fine motor tasks; they come to recognise their individual existence separate from their primary carer (usually their mother), to distinguish themselves from other individuals, and then to build separate but overlapping relationships with those others; they learn to recognise and understand language, to talk, and to comprehend and express emotions in a socially appropriate manner; they learn to link speech and sounds with written and image-based communication and to read, write, draw, and engage with numeracy concepts; they socialise with peers and adults, develop interests, likes and dislikes, and adapt to living in a social environment; they develop the ability to value others, to work in a team, and to operate within the ethical boundaries accepted as societal norms. High-quality ECEC can assist children in learning about and developing skills relating to every one of these areas. However, doing so requires a team of professional educators led by degree-qualified Early Childhood-trained teachers (ECTs) in a suitable environment. Much of the National Quality Framework (NQF) and regulations on child-to-educator ratios are aimed at establishing such an environment and supporting learning and development. These standards and guidelines are appropriate, as are the requirements to come into effect from 2016, and are minimum standards which high-quality ECEC services frequently exceed by a considerable margin. The minimum standards far surpass what is necessary to provide solely for the physical safety of children in care – as might be the focus in babysitting – but then ECEC services are responsible for the physical and emotional well-being, and the cognitive, social, emotional, physical, and communication / language development of the children for whom they are responsible. To illustrate how high-quality services are able to support learning and development, I have provided materials in the confidential attachments to this submission from my Centres.

Example 1 (see in confidence attachment A): This example is drawn from the portfolio of child P1's work. As part of the developmental records which are maintained for each child, the focus teacher responsible for that child prepares a portfolio of the child's development and learning over the year. This includes individual pieces of work, written observations and their interpretations in terms of the child's development stage(s) in the skill(s) used in the activity from the teacher, and planned activities to practice or further extend the skill(s) chosen in line with the observations and the child's interests. Building across the year, reflections on the

child's progress and additional activities will be planned and undertaken. The attachment contains two activities completed by P1, the first relating to gross motor skills (climbing) and the second to food. In each case, the portfolio illustrates the activity and includes the output in cases where a physical object is produced. Focus teacher observations, interpretations and reflections are included, along with the EYLF learning outcomes which the activity addressed, and any follow-up extension activity. Follow-up activities are chosen to build on or practice skills evident in the activity in line with the child's interests. Follow-up activities may occur at the time or included in programming for the immediate future. In this particular case, the food activity builds off discussions of nutrition and asks each child to recognise pictures of foods which might be found in a food bowl. In P1's case, this was extended by preparing a collage (applying gross and fine motor skills in a creative context), and then with a matching activity. A single portfolio may include around one hundred or more individual activities.

Example 2 (see in confidence attachment B): This example is also drawn from the portfolio of child P1's work, and illustrates how activities relating to development of a single skill are chosen to build step-by-step with gradually increasing difficulty. The observations / activities in this case relate to developing language and written communication skills, with being able to write P1's name being the medium-term goal and writing in general as the long-term goal. Activities undertaken include recognising the letters in P1's name, decorating that letter, drawing over a dashed version of that letter, building to tracing and then copying her or his full name, selecting and writing P1's name in paint using foam letter shapes. Dates on the activities and focus teacher observations, interpretations and reflections chart P1's progress over the year. P1's developing skill is clear, as is the cycle of planning, observing, extending, reflecting and planning further activities undertaken by the focus teacher. Every child's portfolio should include similar examples from skills across the cognitive, emotional, social, physical, and language development spectrum. This process requires the involvement of trained and experienced education professionals as breaking down the skills needed for a long-term goal into developmentally-appropriate individual activities and then presenting them in a context which interests each child is a challenging task. Observations of the child's approach within each activity to recognise what skills need further practice and to know when to provide assistance and when to allow the child the satisfaction of meeting an appropriate challenge are also important.

Example 3 (see in confidence attachment C): This attachment includes the same activities as attachment A but for child P2. There are differences between how the two children engaged with the activities, the skills which were demonstrated and observed, and the choices the children made. In the climbing activity, P1 demonstrated communication skills and awareness of identity in describing her or his actions in the first person and being able to seek help. P2 demonstrated problem solving skills in figuring out for him or herself how to complete the task. Both demonstrated satisfaction in achieving the goal and were confident in sharing that satisfaction. Though the observations were broadly similar especially in the demonstration of the gross motor skill, but the interpretation and reflection on progress in development goals was different and these differences would likely not have been evident to an observer less aware of child development. With the food activity, P1 chose to match pairs of identical cards and was then coaxed into identifying the types of food through interaction with the educator. P2 matched foods to squares of the same colour and took up the opportunity to taste an unfamiliar food. The creative expressions were also different, in that P1 made a collage (practising fine motor skills associated with cutting paper, using scissors, and pasting) whereas

P2 started with a collage of a bowl and fruit and then extended into drawing other fruits, thereby practising writing skills. P2 went on to explore other foods over the following days as the educator sought to extend her or his skills into other areas in line with his or her expressed interests. These different extension activities are based in the same content but individualised by each child's expressed interests and matched to the interpretation of skills by the educator. This example illustrates that a single activity fosters different developmental progress depending on how the child engages with it and that recognising, interpreting, and building on the demonstrated progress requires knowledge of child development and the experience of an education professional.

Example 4 (see in confidence attachment D): This example looks at programming at a room level. The attachment shows the daily program / routine for the room. Following this is a long report on a project the children worked on collaboratively to explore a cultural event. The topics examined included the experience of growing up in that culture, local music and foods, holidays for children living in Australia, leading on to art and messy play representations connected to holiday experiences described the children. The last seven pages show the planning and ongoing observation activities that feed into extension activities. This documentation of planning, observation, interpretation, and follow up goes on every week in each room in addition to the individualised focus teacher recording of learning stories, many of which are used in preparing portfolios. High-quality ECEC services constantly monitor development progress in line with EYLF outcomes and plan simultaneously at an individual and group level, a task undertaken by (and requiring) dedicated education professionals.

Example 5 (see in confidence attachment E): This attachment comprises a single month of portfolio materials relating to child P1. It begins with the monthly goal, which dealt with creative experiences, and also notes future development goals relating to the natural environment. Creativity was explored with a musical activity, collage-making, still drawing inspired by a famous artist, explorations of rainbows and the human body. Activities with literacy and numeracy goals were also discussed, along with play with water and sand. At the end of each month an observational summary charts which of the EYLF learning outcomes have been included in the documented portfolio activities and when. This gives some idea of the diversity of activities which can be built around whatever goal is chosen for the month, whilst also tracking progress towards overall developmental targets.

Example 6 (see in confidence attachment F): All of the above described materials feed into six-monthly developmental summaries which report on progress in each of the five designated EYLF outcomes. In most cases, a parent-teacher meeting is also held to discuss learning and development progress, to discuss any concerns which the focus teacher might have, and to answer any questions which have not already been covered in informal discussions from day-to-day parent-teacher interactions. This attachment provides the two developmental summaries from P1's portfolio, excerpts of which have been included in above examples.

One of the other submissions to this inquiry, from Maggie Dent, includes a long checklist of skills and attributes which are suggested to be needed to commence formal schooling (pp. 10 – 12). I concur with Maggie Dent that checklists don't really describe educational progress and that that particular list includes some questionable entries. However, with the detailed developmental records supported by exemplars from the portfolios coupled with their own observations, it would not be difficult for parents to recognise whether their child has

developed most of the listed attributes and skills or not. Looking through the list, I am confident that the overwhelming majority of children from my Centres who we advise are ready for school have progressed as far as that checklist implies is necessary. Maggie Dent is correct that children need more play-based learning, that starting school later would be desirable (or modifying the structure of infants school as I describe below in relation to a longer school day), and that homework in the primary school sector is excessive. I still contend, however, that high-quality ECEC is already succeeding in fostering the necessary skills and knowledge for children to begin schooling.

I hope this series of examples illustrates how much thought and planning goes into play-based learning in high-quality ECEC Centres. All of the learning and development which results from dedicated teaching is only possible with suitably-qualified and experienced educators, motivated to use their skills to support all of the children for whom they are responsible, and with an environment conducive to education. In my Centres, there are four key ingredients in establishing such an environment:

- **Physical Environment:** rooms need to be arranged so that quiet individual work, group activities, and more energetic play are all possible without interfering with other activities. Routines must be established so that children know they will have the opportunity to try different activities and can be confident and feel safe. Activities available must be fun but also educational and interactive – televisions have no place in ECEC services.
- **Child-to-Educator Ratios:** the ratios presently mandated under regulations have too many children per educator for high-quality learning and development with individualised attention to be a realistic goal. At the Forest Childcare Centre, I operate a 16 place baby nursery with five staff (one ECT, two with Diplomas, two with Certificate III). The previously allowed 5:1 ratio was ridiculous – with 2 educators responsible for 10 babies, the moment a nappy change is needed one educator becomes responsible for nine babies – and even the new 4:1 ratio is too high, in my view. In the age 2 to 3 groups, the presently mandated ratio is 8:1, becoming 5:1 from 2016; I already operate with a 4:1 ratio. In the age 3 to 5 groups, I have groups of 15 children with an ECT and a Diploma-level educator, well below the 10:1 level presently allowed.
- **Educator Qualifications:** proper developmental records and individualised programming which builds from observations in the manner illustrated above cannot be done without experienced educators. Certificate III educators, and to a lesser extent those with Diplomas, need supervision and support from a team of ECTs. Ideally, I prefer to have an ECT as room leader in every room, though workforce shortages make that difficult to achieve, and also expensive.
- **Time:** making observations, collecting evidence, interpreting, reflecting, and on-going planning take considerable time. This is made easier by operating with fewer children per educator, but I also work into the schedule programming time so that educators have time at work to prepare portfolios and plan future activities.

High-quality ECEC can be organised in many ways, and I am not suggesting that the approach I have described should be mandatory. I hope it is clear, however, that what I see as quality ECEC service provision takes professional educators working diligently for the benefit of the nation's children, and is very far from the glorified babysitting image which some people unfortunately still hold.

## Response to Issues Paper

The Productivity Commission published an Issues Paper on *Childcare and Early Childhood Learning* in December 2013. In it, numerous issues were highlighted for comment and specific questions raised. In this section, some of the issues and questions from that publication are quoted in *italicised Times New Roman*, followed by my responses. Headings also reflect those used in the Issues Paper.

### Government involvement in childcare and early learning (pp. 5 – 8)

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

The full response to this question is covered in numerous sections below, but in short:

- Recognise that access to ECEC services of a mandated national standard is a right for all children regardless of socio-economic status.
- Resolve the burdensome and duplicative regulation by State and Federal governments by establishing a straight-forward and cohesive regulatory framework. Regulations setting standards and ensuring children are safe, educators are suitably-qualified professionals, and the quality of development and learning provided by a service is assessed are appropriate and should be maintained. Bureaucracy that imposes pointless repetition on ECEC services needs to be removed.
- Fund the professional wages for the education professionals who work in the sector.
- The NQF / EYLF approach recognises individual difference and operates through play-based learning. The old fashioned one-size-fits-all stencil teaching approach is long past its use-by date and should be repudiated once and for all.
- Recognise that learning and maintaining standards is healthy, but teaching to a test is not education. In this area, NAPLAN is unhelpful and needs to be discontinued, though that is not strictly an ECEC issue.
- Fix the funding arrangements, the complexity at present is unnecessary and confusing for parents and service operators.

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

As I see it, the key issues facing the ECEC sector are as follows:

Putting children first: The best interests of children and their families should be at the centre of the ECEC system. COAG's 2009 "Investing in the Early Years – A National Early Childhood Development Strategy" included the vision that "by 2020 all children have the best start in life to create a better future for themselves and for the nation." This should continue to be the touchstone for all discussions relating to the delivery of children's services.

Developing an outcomes framework: I believe that a set of clear outcomes is needed to provide a solid basis for decision-making and performance measurement. I propose the following outcomes as a starting point in line with the COAG strategy:

*Outcome 1:* All children have access to high-quality early learning programmes from infancy through to the commencement of school education, regardless of location or economic circumstances.

*Outcome 2:* Children's spaces and services provide rich environments for learning and for play, healthy living, and social and emotional well-being as well as being welcoming spaces for families.

*Outcome 3:* Families are able to participate in the workforce to the extent that they decide is best for them and their children, with support to balance their work commitments with their parenting responsibilities.

Quality should be a right for each child: COAG initiated major reform in 2009, based on a solid body of research evidence demonstrating a direct connection between the quality of early childhood services and long-term outcomes for children. It is important to maintain and build on the NQS including the child-to-staff ratios and educator qualification requirements, as well as the system of assessment and rating.

The Commission has been tasked with determining whether the cost of the NQS is justified. I argue that it is, based on the evidence demonstrating that high-quality early childhood services support children's well-being and influences their long-term educational outcomes. Further, in cases of vulnerable or disadvantaged children, the justification is even stronger as ECEC fosters development of protective factors like a sense of safety, resilience, and self-confidence. There are other cost factors in early childhood services such as longer operating hours, increasing facility costs and the administrative burdens associated with the childcare benefits system, all of which warrant examination to find cost savings before compromising on quality. Strategies to contain and reduce costs will also need to be carefully managed to ensure that there is an impact on fees and affordability.

Government should support improved wages for early childhood educators and teachers: To provide a stable and sustainable ECEC sector, we must introduce professional wages so that the sector can attract and retain qualified and professional educators. This is the backbone needed to support the provision of quality education and care.

The relationship between educators and children is a critical component of quality in service delivery. Being an educator in early childhood services should be a valued and respected role – these are the educators trusted with Australia's next generation of citizens. We should be aiming to attract and retain talented people to these roles.

Although a stable, skilled and professional labour force is widely acknowledged as vital to ensuring high-quality ECEC, educators continue to be poorly paid considering the significant and demanding work they do in educating and caring for children. Many educators suffer low status in the broader community, lack fulfilling career paths, and have inadequate training opportunities. Addressing educators' low wages is key to completing the quality reform agenda and essential to ensuring the future viability of the sector which supports Australian families and children.

Families and service providers are not in a position to fund significant increases in wages without changes to the way in which social investment is provided. The former government's Early Years Quality Fund (EYQF) was a well-intentioned step in the right direction for achieving professional wages. The Abbott Government's decision to not honour the conditional offers made from the EYQF has caused great distress and anger across the sector and increased educators' feeling unappreciated and disillusioned. Maintaining staffing levels need for high-quality ECEC is increasingly difficult and recognising the professionalism of educators with respect and suitable wages needs urgent action.

Current provider mix should be supported: ECEC services which offer quality services for children and their families should continue to have a role in the sector regardless of their size, whether they are not-for-profit, for-profit small businesses, community-run, or whether they are part of a large corporate entity. However, improvements to efficiency, reporting and compliance, accountability and shared support services and professional development should be explored to build the capacity of existing ECEC services. Early childhood education is a higher priority than full wage replacement parental leave.

*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.*

According to a report in *The Australian* (by Patricia Karvelas, 5 October 2013), Australia ranks 28th out of 45 nations for quality, affordability, and availability of ECEC. The article cites a study from the Economist Intelligence Unit, commissioned by the Lien Foundation. The study notes that highly rated early childhood sectors treat their educators as professionals, pay them appropriately to that status, and require qualifications in child development and education. This is exactly what I am advocating in this submission. The study further notes that Australia is "in the midst of major policy reforms that will probably see [us] climb in future rankings" (*Starting Well – Benchmarking Early Childhood Education across the World*, p. 12). This comment refers to the policy reforms initiated by the former Labor Government and which the Abbott Government appears keen to undo – certainly its treatment of the EYQF is suggestive in this regard. Policy reversals would likely mean forgoing the economic benefits (up to 17% return annually, according to the report, p. 7) that flow from investment in early childhood education. Our poor overall ranking occurs despite having some world-leading Centres (p. 12) primarily because of affordability and availability issues. New Zealand, a comparison country mentioned in the ToR, ranks 9th compared to our 28th, and Australia should be able to match their performance in time. The report provides details relating to the topics raised above, and I recommend it to the Commission.



## **Who uses childcare and early learning services and why? (pp. 9 – 11)**

*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?*

From the experience at both my Centres, I would say the greatest shift in demand has come from increasing numbers of two parent households where both parents are working. Increasing aspirations and cost of living pressures are driving more families to need two incomes, and with young children in the family some form of care (such as an untrained nanny) or ECEC is needed. The nanny option can be appealing as it often comes with other domestic services – tidying and cleaning the house, washing clothes and dishes, running errands like school drop-offs / collections – in addition to babysitting, but it is rarely the case that a nanny is capable of providing a proper ECEC service. Family day care has the attraction of flexibility at comparatively low cost, but the quality of ECEC is variable and dependent on the skills of the carer. For families where education is seen as a priority, the dilemma becomes the amount that can be afforded for high-quality ECEC and the sacrifices that are acceptable to meet the high costs involved. Significant movement occurs between ECEC service types and between Centres as families seek better quality, or as costs become prohibitive.

## **Children's development needs (pp. 11 – 12)**

*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?*

The difficulty with this question is that the time spent in ECEC is one of many factors that can impact on learning and development outcomes, and the importance of ECEC time differs with each child. As a broad generalisation, more hours and days in high-quality ECEC correlates with better learning and development outcomes, and certainly with preparedness for school. However, the individual differences between children mean that in any particular case ECEC may be of critical or comparatively low importance. By way of illustration, consider the following cases:

Case 1: Consider J, the son of a single mother divorced from a wealthy man. The divorce has left J's mother with little money so expensive child care is out of the question, even with CCB / CCR support. J's mother is dedicated to his welfare, spending as much time with him and his older brother as she can. She reads to him, sacrifices her needs to provide him with whatever she can. J's mother receives good advice from a close friend in the ECEC industry who provides assistance including care and support. J is a very intelligent child, his inquisitive nature is nurtured and he was able to cope with beginning school aged four years and seven months. In J's case, his high intelligence, loving environment, and the education provided by

his mother and carer meant that the lack of ECEC time was not a major impediment to his learning and development. Many children in similar circumstances but of closer to average intelligence, however, and particularly without a mother for whom education was seen as vital, would likely have started school under-prepared both socially and intellectually. Some of these children would cope adequately without ECEC if starting school a year later than J did.

Case 2: Consider M, one of several children I encountered while working with a Centre which provide refuge services for women subject to domestic violence. Each Monday, M would arrive for ECEC with her mother who would inevitably show visible bruising. Though M was not herself hit, she regularly saw her mother hit. M's mother was too scared to leave her partner. In the care of the Centre was the only place where M had a sense of safety, recognised as critical for learning and development. Every hour M spent in ECEC was highly valuable as it was the only place where she was encouraged and felt able to express herself. The fear in her home environment severely limited it as a place of learning. Her language skills were seriously delayed and her social skills reflected a sense that people are potential dangers. Without the influence of ECEC, she would have been totally unprepared for school and extremely vulnerable. In cases of dysfunctional families, the more time in the safety of ECEC, the better.

Case 3: Consider D, a child who started in ECEC at about six months of age. D was a happy baby, and though she babbled for longer than many children do, her development was not atypical until it came to literacy tasks. Her focus teacher was aware of her somewhat delayed speech, and noticing that D was easily distracted by background noises particularly during reading tasks, and that she did not seem to grasp the concepts of letters and words and their associations with sounds, was concerned that D might be dyslexic. The teacher raised her concerns with D's parents, who had not noticed anything to worry them, but sought a professional assessment. Without the knowledge and experience of her focus teacher, D would not have been diagnosed until she was older, potentially much older. Because the Centre is staffed with ECTs, the service was able to provide appropriate learning and development opportunities for D. In cases where special needs have problems that need to be recognised, high quality ECEC is often crucial in getting to a diagnosis and then supporting learning. In this case, the delay in D beginning to speak that was known as D had been in ECEC from a young age assisted in recognising that she might be dyslexic.

Individual differences which are relevant to this question include: the intelligence of the child, the value placed on education by parents, the degree of nurturing and intellectual stimulation at home (in part reflecting parental intelligence and education), the presence of siblings and friends for socialisation, functionality of the home environment, how readily the child trusts others, personality factors (introversion / extroversion, for example), developmental delays such as autism and dyslexia, the expected starting age for school, and the availability of care (such as grandparents) when parents are working. The more factors from this list are non-ideal, the more important some form of ECEC becomes and the more time that is desirable. A nuclear family with a stay-at-home parent is well suited to the limited time offered by a pre-school from age 4; a family where both parents work and where 8 am to 6 pm care is needed suit long day care and from a much younger age.

*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?*

I favour a longer school day but only if it is accompanied by changes to structure of the day to improve children's learning. Certainly it would suit parents' hours better, potentially avoiding the need for after-school care, though it would also have significant impact on the teaching profession and the costs associated with school operation. What I would not favour would be the extended day being organised as now with a couple of hours in the afternoon of a mix of playground play and supervised homework time. Particularly in the younger years, homework is an unnecessary burden on children and should be restricted or eliminated.

I would suggest a longer day arranged as follows: start by dividing the day into a morning and an afternoon session. Only one of these would be devoted to academic learning, the other should be devoted to extra-curricular activities – sport, music, art, etc – in line with the children's interests. Some children can concentrate on literacy, numeracy, and other academic tasks in the morning and they should be assigned to those activities in the morning session and the extra-curricular in the afternoon. The children who are more functional on academic tasks in the afternoon would have their extra-curricular syllabus delivered in the mornings. The extra-curricular activities would ideally be delivered by specialist – musicians, art specialists, physical educators who can work on gross and fine motor skills and fitness, etc – which would have a cost effect but would also mean that classroom teachers were able to focus on the tasks they are best able to teach.

This approach would allow the curriculum to be broadened in the early years of school without adding additional teaching content to burden teachers. It would make more extensive use of infants school facilities, obviate much of the need for before and after school care, and better match the working hours of parents. There would certainly be a cost impact and the views of educators in the infants sector would need to be canvassed and negotiated. Having been the headmistress of an infants school, I am sure that this structure could work, though there would be resistance to some of these ideas.

### **Impacts on workforce participation (pp. 13 – 15)**

*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?*

In responding to this question, it should be noted that I offer high-quality ECEC which is comparatively expensive. I deal primarily with parents willing to pay higher fees for higher

quality ECEC for their children. Single parent households generally do not have the option of remaining at home with their child(ren). Many of the two parent families similarly comment that they have no choice. Parents looking for affordability and willing to accept a consequent decrease in quality generally do not come to my Centres; as I understand it, family day care is a cheaper option often taken in these cases. In cases where there is a stay-at-home parent, my experience is that long day care is not what they seek. They seek occasional care for when they have appointments, which is typically much closer to babysitting than it is to true ECEC. Stay-at-home parents who want school preparation ECEC usually choose pre-school from age 4, as the 9 am – 3 pm for 40 weeks per year schedule suits their needs and the NSW government subsidy makes it cheaper than long day care.

Accessibility is an important issue in many cases. I find that many first-time parents look for an ECEC service near their home or their work place. When they have school aged children as well as children in ECEC, a service located near the school is often chosen. My services, however, have seen regular cases where younger siblings come to the same Centre as they are happy with the service. Siblings also get priority access which influences choice of ECEC service, especially if two or more children are yet to start school. Parents are generally well aware of the difficulty of accessing ECEC for their children and so will inconvenience themselves in the short term. At one of my Centres, for example, there is a parent who works in the CBD who comes from the south-west of Sydney, involving a considerable amount of travel; this option was chosen as the family plans to move to near the Centre in the near future and they are aware that transferring between Centres is difficult.

The accessibility issue frequently leads to parents applying for places at multiple Centres and taking any place that they can get, hoping to upgrade on quality at a later date. It is also a regular occurrence as part of this upgrade process to accept a single day per week at a preferred Centre and keep the other days at another Centre, slowly transitioning the child from one Centre to another as more days become available at the preferred Centre. This is not a desirable situation for a child, it is disruptive to form friendships and then to be moved, but parents want the best education for their child and are willing to make sacrifices to ultimately secure a place in their preferred Centre. Accessibility can also turn on the hours of ECEC available – for example, workplace flexibility may allow parents to work longer hours over fewer days so that each parent can have a day at home each week, and by juggling pick-up and drop-off times, get away with three long days (7 am to 6 pm, say) of ECEC.

On the workforce participation question, I believe that it is increased work by mothers that has led to increased demand, and not the quality of care (etc) leading mothers to take up work. Parents who do not work typically do not access long day care, in my experience, preferring occasional care in the younger years and possibly pre-school at age 4.

Government policy has certainly had an effect on workforce participation in the ECEC sector, and the effect has been entirely negative. The recent fiasco associated with the EYQF has been producing substantial anger and has hardened intentions to leave the industry. ECEC educators are professionals who deserve to be respected and remunerated as such, and the feeling in the industry at present is leading not only to departures but also to educators discouraging others from considering ECEC as a career.

The support provided by the child care benefit (CCB) and child care rebate (CCR) have assisted parents in re-entering the workforce as they ameliorate costs. The system is inadequate, however, in the face of the cost of high-quality ECEC in Sydney. Low income households cannot afford to access high-quality ECEC, even with both of these supports, and single parents on pensions are unlikely to access any ECEC. The United Voice submission provides evidence on this topic, showing how much worse the situation will become in the future if the support is not increased. I would say that the area of greatest impact is for middle income families where education is seen as vital. Already the CCR runs out for many families with a few months of the year to go, imposing a pressure on family budgets.

### **Availability of childcare and early learning services (pp. 15 – 17)**

*The Commission is seeking evidence on:*

- *the extent to which parents are experiencing difficulties accessing ECEC that meets their needs/preferences and whether there are particular categories of care, times, locations or circumstances for which accessing ECEC is more difficult — for example, regional areas, certain days or part days each week, or for children with additional needs?*
- *how parents identify vacancies or choose which ECEC service to use — for example, are parents aware that the My Child website ([www.mychild.gov.au](http://www.mychild.gov.au)) and at least one privately operated website allows them to search for centres reporting vacancies and do they find this service accurate and/or useful?*

In the areas of Sydney in which my Centres operate, the problem is more one of availability of high-quality ECEC rather than any care. As I noted above in discussing accessibility, parents commonly accept places where they can and look to upgrade over time to higher quality of more desired ECEC services. There are also serious barriers to expanding existing or establishing new high-quality ECEC Centres in affluent areas, in part due to the extremely high cost of real estate. Establishing a new Centre requires either an enormous capital investment in the land and building, or a major revenue stream to support rent in the establishment and initial phases. Within the for-profit services, there is an understandable reluctance to establish new Centres without the prospect of a solid return. This fact also an impediment to the establishment of new Centres in disadvantaged areas.

Take Burns Bay Cottage as an example: it is a 66 place ECEC service with a waiting list of over 250 children. If a site were available nearby the current location in Lane Cove, I could fill a Centre of the same size without difficulty. The waiting list has been of similar length for several years, but I have been unable to locate a viable location (on both physical and financial grounds) for an additional site for this Centre. For the families on our waiting list, there is little prospect of a place at Burns Bay Cottage. Given the priority given to siblings of children who already have a place at the Centre and the families seeking extra days, even after the school-leavers go at the end of January there will be perhaps ten places across the week available for new families (and ten places across the week could be taken by two children attending five days). So, for parents looking to access Burns Bay, availability of places is seriously limited.

Regarding choices of days, the middle of the week is more popular and Monday and Friday places are slightly harder to fill, and thus in lesser demand. However, parents who would prefer a Tuesday-Wednesday-Thursday placement might well accept a Monday-Friday

placement looking to add a third day and try to move days as places become available. Children being placed in two different Centres as a temporary measure while waiting for enough days at their parents' preferred ECEC service is a concerning trend. This uncertainty in children's lives is undesirable and disruptive to the learning and development, and can diminish the trust and sense of safety which is crucial for meaningful ECEC.

The situation with additional needs children is both frustrating and saddening. Children with additional needs or from disadvantaged backgrounds are amongst those who can benefit most from the professional educational knowledge and skills available in high-quality ECEC services. Unfortunately, the barriers to them accessing such services are high because the additional support they need means higher costs for business which cannot be adequately recovered. Government funding support available is far from adequate, typically being in the range of \$12 to \$15 per hour for teaching support, up to a maximum of five hours per day. This amount is not enough to cover the cost of an untrained assistant / trainee who is engaged in training for a Certificate III in Early Childhood Services, let alone a highly-trained professional who has experience with the child's specific needs. Further, in cases where the need is more serious, the number of hours of support needed and hence the shortfall in financial support becomes greater. For example, if an autistic child is in long day care for eight to ten hours a day, s/he may need essentially 1:1 attention. The idea of the government funding is that when an educator is spending extra time with that child, the support worker can be available to support education in the room – yet an educator with a Diploma or degree-level qualification is not adequately replaced by a trainee.

Offering a concrete example, I have accepted a child with cerebral palsy into one of my Centres from this year. This child will need 1:1 attention as s/he needs assistance with walking and other activities of daily living as well as assistance in learning and development. I believe that visits from an occupational therapist, a speech therapist, and a physiotherapist will be needed for this child, and these will likely cost at least \$35 per hour, leaving the business with a substantial shortfall. I accepted this child because his or her mother has had difficulties finding any ECEC service and because I believe the child is entitled to high-quality educators qualified to support his or her needs. I have taken on this child as a reflection of my belief in the principle of universal access, and despite the loss we will incur from the additional costs. However, I also understand the reasoning for other services to decline to take on this child on the grounds of not having the staff to meet his or her needs, and their being unwilling to go to the expense of providing the needed support.

The funding support for ECEC services taking additional needs children is inadequate both in the amount available per hour and the number of hours available. A special needs child in a pre-school might be supportable on five hours per day, but this does not match the long day care sector. Another viable support could be for the government to employ professionals who could be responsible for supporting a group of children spread across multiple Centres. In this way, a child could receive occupational therapy, speech therapy, and physiotherapy support (say) without each Centre needing to meet the much higher costs of providing these professionals. Allowing Centres to charge higher fees for additional needs children would also be effective in reducing the out-of-pocket costs to ECEC services, though I do not support such an approach as it is inequitable and morally questionable to base fees in individual differences.

On the question of how parents choose an ECEC service, by far the most common and most effective method is through word-of-mouth recommendations. Prospective parents do generally seek a tour of the Centre when joining the waiting list. I have had a couple of cases where new parents have mentioned using the MyChild website, though I am unaware of substantial views on that website. As mentioned above, Burns Bay Cottage takes few new families as siblings and extra days for existing children tend to occupy most spaces as they become available. The Burns Bay Cottage experience with the MyChild website is described in a section below.

*The Commission is seeking information from ECEC providers on:*

- *how the sector has responded to growth in demand, including changes to types of care offered, cost and pricing structures used by different types of providers, and any viability pressures*
- *the key barriers that are inhibiting an expansion in ECEC services where demand is highest, development of more flexible ECEC, or alternative models of care*
- *approaches to managing childcare waiting lists that have been shown to be successful.*

I have mentioned above the real estate and rental costs that make acquiring new sites to expand ECEC services (or to establish new Centres) very difficult in affluent areas. Unfortunately trying to expand a Centre on an existing site is equally challenging and frustrating. I have been attempting to achieve a license increase for Burns Bay Cottage, an additional 20 places on top of the existing 66. The bureaucracy involved in the process, primarily at the Council level, is enough to drive anyone to despair. Issues which Council has forced us to debate include:

- why paving over half the existing playground to increase car parking is not in the best interests of the children in the service
- why the inclusion of a circular driveway (for ease of pick-up and drop-off for children under two years of age) is impractical when a single driveway provides access to the block of land
- why a dedicated loading dock for receiving deliveries by truck is not needed in a site that does not get truck deliveries, and why learning space is more valuable for an ECEC service than is a loading dock
- why provision of four or more bicycle racks for use by Centre staff is a waste of space when there is no members of the staff come to work by bicycle
- A 90 place Centre requires 25 car parking spaces, which occupies an enormous amount of land; in an expensive area like Lane Cove, such a car park could occupy most of a block of land (all of it if you add the circular driveway) and it stands empty for most of the day
- the negotiations and back-and-forth with Council are now approaching 18 months – businesses don't take 18 months to make straight-forward decisions and neither should any level of government

Even assuming that the site problem can be solved, expanding existing or establishing new ECEC services faces the challenge of staffing. Suitably qualified educators are difficult to find. Early childhood-trained teachers are qualified to work in primary schools as well as in the ECEC sector, and in primary schools they have shorter operating hours, better pay, and more respect. Consequently, ECEC educators who complete teaching degrees often leave for the

greener pastures of the school system. Teachers who choose to work in ECEC have a passion for the learning and development in children's first years of life but regularly leave the sector disillusioned or become cynical and demotivated. Professional wages are desperately needed to support more meaningful careers in ECEC, and the damage done by the withdrawal of EYQF moneys is making finding new educators and keeping existing ones increasingly challenging. As the United Voice submission notes, the sector is losing staff at a rate exceeding 100 per week, and this is not sustainable even without the growing demand for ECEC.

On the pricing structures within the long day care sector, the large demand for the high-quality Centres and the difficulty in expansion mean that supply will continue to exceed demand for the foreseeable future. Looked at in purely economic terms, this situation would allow for significant price increases. I price my services based on the actual costs I need to cover, but I could look instead to what the market would bear. The lack of quality alternatives means that my Centres would not have difficulty remaining full, and the reason I have not moved in this direction is because I see it as unethical. Others, however, are not so constrained – the ABC Centres, for instance, cut costs at every opportunity and provided barely adequate care but at high prices. It is only a matter of time before more Centres take advantage of the limited demand to profiteer, and that will be a bad outcome for children and the government when parents scream loudly about the spiralling cost of ECEC.

Flexible ECEC delivery is desirable for parents who work non-standard hours, but it is bad for children and their education. Children function on a day-night cycle and 24 hour operation of ECEC is inconsistent with supporting the best interests of children's learning and development. Parents working overnight shifts have a need for a babysitting service of some sort, but that is not the same as ECEC and should not be taken as such. ECEC Centres do not operate overnight and so stand empty, except for the cleaners, so in the abstract some overnight care system makes sense. Unfortunately, it is impractical as the facilities needed for overnight care (proper beds, separated rooms, etc) do not match the layout suited to ECEC. Extending hours of ECEC to cover a dinner meal and collection up to (say) 8 pm would pose a staffing challenge and be disruptive of the sleep patterns of younger children, but it might be an option some services would like the flexibility to offer.

Another approach to flexible delivery would be by one-stop shops that offer pre-school, occasional, and long day care all in one location. This sounds good in theory but it is not practical, in my opinion. Pre-school operates from 9 am to 3 pm, so there would be places open before and after that period. Unfortunately, parents looking for occasional care typically want care in the mornings while they attend to appointments, so the period of peak demand is roughly 9 am to noon. Long day care operates all day, so a one-stop shop would operate at capacity for perhaps three hours of the day, and would only have long day care in the early mornings and afternoons from 3 pm. In theory, these are the times when before and after school care is sought, but those cater to older children whose needs are not well matched to the setup needed for children under five years of age. Another practical difficulty is that occasional care spans the ages zero to five and so requiring extra facilities depending on the children on any given day. Pricing for a one-stop shop is difficult to determine as the costs are variable based on the clientele on any given day. It would be more business efficient to be full all day by operating solely as a long day care service, rather than trying to be all things to all people. I focus on providing high-quality ECEC in my area and am very good at it, and I have no desire to waste energy trying to be all types of ECEC.



Our waiting lists are managed to ensure the Centres remain full, which given the level of demand unfortunately leaves many parents unsatisfied. If asked, we will advise on alternative locations in the area, but we do not recommend any other service. As it happens, in the case of Burns Bay Cottage there is only one nearby Centre which I would recommend as providing ECEC of the standard I believe is appropriate. Unsurprisingly, that Centre is also full and has a long waiting list.

*The Commission is seeking information from employers that currently provide childcare services or assist employees to access childcare, on:*

- *the nature of the services or assistance provided*
- *issues encountered in supporting employee use of childcare services.*

Educators in my Centres who want their children to attend the Centre are supported to the extent that is practicable. Salary-sacrifice is offered as a payment method, for example, and in the case of employees of long standing, I have sometimes offered subsidised and / or free care for the children of my team of education professionals.

### **Flexibility of childcare and early learning services (pp. 17 – 18)**

*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.*

There are two principal reasons why I do not offer and do not intend to offer flexible ECEC. The flexible-hours option (including overnight care) is not truly ECEC in my view, it is babysitting in the mould of long day care from thirty years ago. Schools do not operate at night because children learn best during the day, and the purpose of ECEC is to support learning and development, not merely supervised care or babysitting, so these services must operate consistent with the day / night cycle within which children live. Some adults work irregular hours and night shifts, but it does not follow that their children can or should adapt their learning to such a timetable. Provision of supervised overnight care for children is certainly a service some parents seek, but it is not ECEC and should not be considered as flexible ECEC when its purpose is not education. Flexible ECEC in the sense of one-stop shops with occasional, pre-school, and long day care ECEC services is impractical in my judgement, as I explained above. Flexible ECEC in the sense of longer operating hours is a viable approach, though I do not plan to move in this direction at present.

## Services for additional needs and regional and remote areas (pp. 18 – 19)

*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.*

I have already written about some experiences I have had with working with additional needs children. I must reiterate that the subsidy provided for the extra staff often needed in such cases is inadequate both in per hour and hours per week terms. Even at \$15 per hour, the maximum subsidy possible, the cost of a trainee educator is not met, let alone the costs of qualified educator or allied health professional. In some cases, parents can access supports like occupational therapists outside of the ECEC context (which is subsidised by a separate mechanism) but if not then the cost of taking on an additional needs case can be substantial. Expecting ECEC services to make significant losses on additional needs cases is unreasonable and, in the case of most for-profit services, very naive. I expect that the situation would be much worse in regional and remote areas, based on my experiences from working in schools in such areas, where suitably trained education and allied health professionals are scarcer.

There are specialised services available to help additional needs cases, like Sunnyfield and Giant Steps, but the demand for their services far outstrips their capacity. I understand from parents of additional needs children that accessing appropriate assessment services is slow due to substantial waiting lists, and once assessed placement in a suitable special needs program is neither immediate nor guaranteed. This is part of the reason why parents prefer to use so-called mainstream ECEC services, but with places at a premium, this option is also difficult.

In cases of additional needs children, parental denial is also a difficulty facing ECEC services. As experienced professionals, ECEC educators are well placed to recognise developmental delays and learning issues early in a child's education. This can occur before the parents have noticed that anything is wrong, especially for first-time parents, and denial is an understandable, though unhelpful, response. I have certainly seen cases where there are signs of autism that are clear to me and which I believe calls for immediate evaluation and intervention, but where the evidence is unclear to the parents who choose not to act. This is not out of any sort of malice but simply the all-too-human desire for a child to be healthy. Sadly, the delay that results by waiting for the parents to recognise the problem is detrimental to the child; responding by seeking another ECEC Centre is even worse, as the new Centre may need to get to know the child well before the signs of autism are clear especially as the move itself will be disruptive to the child and likely produce unsettled behaviour.

Another important category of additional / special needs children is vulnerable children coming from dysfunctional homes. Though these children do not need additional attention for physical reasons, they frequently have learning delays and emotional difficulties that require attention. Services like the Benevolent Society can be of assistance in these cases, though its resources are inadequate to the need that exists. In some cases, the Department of Community Services (DoCS) subsidises or covers the gap in fees above the CCB / CCR support level, allowing these children access to ECEC well beyond the means of their parent(s) to provide. High-quality ECEC is critical in such cases, not only because the Centre may be the only place where the child feels truly safe, but also because the home environment does not provide adequate learning / development opportunities and the atmosphere typically does not convey a valuing of education to the child. The behavioural and delay issues which arise in the ECEC Centre are serious challenges to the educators; fortunately, they are well-trained professionals and not babysitters, but the needs of these children for love and attention, safe play and encouragement, socialisation, and monitoring of their learning progress can take time away from other children.

All Centres work regularly with DoCS, who must monitor incidents as well as deal with vulnerable children and investigate abuse allegations. It is unfortunate that DoCS sometimes because distracted from more important cases by the sheer volume of circumstances demanding attention. In the case of minor incidents like injuries in ECEC settings, I know by report and personal experience of plenty of cases where an incident receives attention substantially disproportionate to its seriousness. I have also over my career seen cases where DoCS declined to act despite what I thought was a serious risk of harm. In one recent case, the change of DoCS supervisor overseeing the case turned a collegiate parent-DoCS relationship into a confrontational relationship with much increased demands on the Centre for reporting. It was clear that the parent in that case was loving and dedicated, though also poorly educated and struggling on a pension, and I was concerned about how the case was handled. Despite our regular contact with the child and ongoing and professional monitoring of the child's development and learning, the lack of respect for our expertise and the DoCS officer's preconceptions led to our perspective being largely disregarded. Consequently, though additional stress from DoCS on the parent was creating the pressured environment adversely impacting on the child, this was taken as reason for further scrutiny. None of this was in the child's interests, and this was a case where DoCS attention and effort was wasted on a case that did not warrant it.

### **Cost of childcare and early learning services in Australia (pp. 20 – 22)**

*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.*

Fee payments by credit card have increased substantially, which might reflect financial difficulties associated with living on credit or simple convenience and a desire to collect points.

In any case, sending fee statements and reminders is not time consuming, but following up large amounts and or long-overdue amounts is both irritating and wasteful of time. Consideration is being given to requiring all payments be made by easy-debit.

The fee-setting policy adopted in my Centres is based on the cost of providing high-quality ECEC service, and is not based on what the market can withstand. For this reason, I do not monitor the fees charged by other services beyond the anecdotal feedback I receive from prospective parents. I am in no doubt that I could increase fees by around 10% without risk of ending up with unfilled places, though this would lead some parents to seek cheaper alternatives. I do not intend to exploit the shortage of places in high-quality ECEC services in my area, I would consider that profiteering and unethical – though I am sure some other service operators might be less scrupulous.

### **National Quality Framework (pp. 23 – 27)**

*The Commission is seeking views and evidence on:*

- *the effect of increased staff ratios and qualification requirements on outcomes for children*
- *how ECEC providers are handling the pace of implementation of new staffing ratios under the NQF*
- *the case for greater recognition and assessment of competencies as an alternative in some cases to additional formal training and qualifications*
- *the impact of changes to staff ratios and qualification requirements on the cost of employing ECEC workers*
- *whether any increased staffing costs have been, or will be, passed on in higher fees charged to families.*

In the portfolio examples provided above, I have shown that having fewer children per educator and making sure educators have appropriate qualification and support allows high-quality and detailed monitoring of progress in language, cognitive, emotional, social, and physical development for each individual child. The outcomes achieved are positive in that parent satisfaction levels are high and children are clearly well-prepared for commencing formal schooling. A University of Melbourne study, reported by NAME in the *Sydney Morning Herald* on DATE, found that children who participated in high-quality ECEC services significantly outperformed children who did not in year three NAPLAN testing. While the NAPLAN approach has some major drawbacks, this research finding nevertheless suggests that children benefit academically from being in an ECEC Centre prior to beginning formal schooling.

The implementation of new staffing ratios has not been problematic for my Centres in that the ratios I prefer are far more education-friendly than the minimum requirements mandated by regulations. In fact, I already meet the 2016 requirements. The difficulty is with finding qualified educators to replace ones who leave given the workforce shortages and ongoing exodus from the industry. My Centres are also not facing difficulties with the 2016 requirement that the majority of educators be Diploma or degree-qualified. I believe that trainees and Certificate III-qualified educators require substantial guidance and leadership to maintain the standards of excellence to which I aspire, and so my Centres operate with a employee mix that is top-heavy with highly-qualified educators. Given the workforce

shortages in the ECEC sector, however, it is inevitable that the pace of implementation will be challenging for some Centres.

Recognition based on demonstrated and assessed competency would be a welcome addition to the ECEC sector. I have worked for many years with an educator who I know to have knowledge and skills equivalent to the ECT level; her qualifications were destroyed in war, along with the granting institution, and she came to Australia as a refugee. At present, no mechanism exists for her to prove her qualifications and though I give her ECT-level responsibility and wages, she cannot be recognised as such.

Increases in staffing costs must be passed on to parents, there is no other way to pay higher wages unless government assistance is provided. Providing professional wages for our professional educators would impose a substantial burden on parents – at least \$20 per child per day – and would cause a political furore. The impact on families would be considerable, and the aim of increased workforce participation amongst women would be frustrated. Hopefully the Commission will come up with recommendations which avoid this worrying possibility from coming to pass.

*The Commission is seeking information on:*

- *initiatives of governments to address workforce shortages and qualifications, including the cost and effectiveness of these initiatives*
- *initiatives of providers to address their workforce shortages and skill needs, including the cost and effectiveness of these initiatives*
- *particular locations and areas of skill for which it is hard to find qualified workers*
- *the extent to which training/childcare courses enable workers to meet the requirements of the NQF and how training could be improved*
- *other workforce and workplace issues, including any aspect of government regulation, that affects the attractiveness of childcare or early learning as a vocation.*

Research has estimated the rate of departure of experienced educators from the ECEC sector at more than 100 per week. Some of these departures are ECTs moving to the primary school sector where wages are higher and working hours shorter and more predictable. This includes ECEC educators who have been working in the sector whilst completing an ECT qualification part-time. I pay above-award wages to most of the education professionals in my Centres, yet I have also lost employees because they could earn more money outside the industry. This adversely impacts not only on the sector but also as an opportunity cost for the economy in that valuable education, training, and experience goes unused.

The Gillard / Rudd Government took steps to address this problem with increased wages by means of the EYQF. The \$300 million in funding it was to provide was a valuable first step towards professional wages across the sector. The Abbott Government has rescinded the conditional offers made to ECEC Centres across the country, despite the conditions of those offers being met before the issuance of writs for the election. The only exceptions are those few Centres fortunate enough to have received and finalised the contract documents before the election – most services (mine included) did not receive the contract documentation despite numerous requests. This policy reversal has been the single most destructive event for the ECEC sector that I have ever witnessed. When the EYQF was announced, educators

were aware that the EYQF could only support professional wages for about 40% of ECEC services, so it was greeted positively but with caution. Every Centre across the country had the same opportunity to apply and to be assessed according to the same criteria. The news of which Centres had been approved was communicated to those educators who would benefit, along with the stated dates from which the higher wages would apply; the feeling of elation with which the news was met reflected not only the financial benefit but the emotional satisfaction of being respected as educational professionals making an important contribution to society. Having the funding withdrawn was thus experienced as an attack on their worth as educators and a repudiation of the industry, as well as a financial hit. It has hardened intentions to seek employment outside the industry. It has fostered disillusionment and cynicism with educators feeling demeaned and more disrespected and underappreciated than ever. Refusal to establish the EYQF would have been much less damaging than the emotional rollercoaster that has occurred.

As a service operator, I also resent the huge investment of my time and that of my most highly qualified and experienced staff and advisors that has been wasted. Not being approved for funding I could have accepted with disappointment; having been approved, complied with all requirements, and then lost the funding to a policy reversal that would not have happened if the bureaucracy had produced the contract documents in a timely manner (ie. between the conditional approvals and the election) is enraging, bewildering and galling. In addition, the stated basis for the decision was exasperating and disrespectful and insulting to my intelligence – how anyone could say that a limited fund open to all with an equal opportunity to apply is unfair, but it is somehow fair to fund amongst those approved only the few fortunate enough to get contracts is beyond comprehension. The only conclusion I can reach is that the reason offered was a pretext to rationalise a decision taken on the basis of profound ignorance of and disrespect for the ECEC industry.

That the government expects service operators to be able to operate efficiently while political games run their employees through the wringer suggests they are oblivious to the realities of business and the importance of stability and predictability for smooth operations. I have redoubled my determination to fight for the professional recognition and wages which the ECEC sector needs and deserves.

In the area of improving qualifications, government action has been positive though more could be done. Government provides part of the cost for studying at the certificate and diploma levels (often with the rest of the cost met by the ECEC service), though the incentive from the additional wage is inadequate to the extra leadership responsibilities. For example, an educator with a Certificate III might be the focus teacher for one child and responsible for one portfolio under supervision from an ECT; a Diploma-level educator might be responsible for six to eight portfolios, and be expected to need much less support and assistance. Diploma-level educators might also be expected to take on room leader or even nominated supervisor responsibilities, which involve considerable additional work in return for a pay rise of at most \$6 per hour under the award. At the ECT level, the support available is the usual HECS-HELP which merely defers the cost (exceeding \$6000 per annum) until after the educator has graduated. There was a lower rate for education degrees under the National Priority scheme, but this was withdrawn from 2010. Government funding to reduce the HELP debt of ECTs is provided for those working in areas of high need (regional or remote areas, Indigenous communities, or areas of high socio-economic disadvantage based on location). Given the dire

situation in the ECEC workforce and the regulations mandating higher qualifications levels from 2016, government could provide additional support for up-skilling: HECS-HELP debt could be forgiven for ECTs who work full-time in the ECEC industry for five years, for example. Funding the full cost of Diploma-level training for Certificate III / IV educators could be extended from the present arrangement where enrolment must occur within three months of completing the Certificate to instead allow for a year of full-time work between courses. However, whilst these would be positive developments, the central problem is that the wage incentive to up-skill is inadequate, which reflects the fact that professional wages for ECEC educators are urgently needed.

I have used and continue to use several methods for addressing a shortage of educators. By paying above award wages, I have been able to attract and retain high-quality educators – some of my employees have been with me for over 20 years, even moving between Centres to stay with me. I also offer desirable working conditions including fewer children per educator than required under even the 2016 regulations, paid time away from face-to-face teaching for programming and portfolio responsibilities, and access to the Centres for educators' children. I have used the 457 visa system to sponsor suitable workers coming to Australia, which is a convoluted and frustratingly bureaucratic system before for immigration and once they arrive. For example, an immigrant with an ECT qualification from a non-English speaking background needs to obtain a certified translation of their qualifications and identity papers for review by the National Office of Overseas Skills Recognition (NOOSR). Once NOOSR replies, a new application (with many of the same requirements) must go to DoCS for recognition by the State Government. After DoCS has issued its approval, a third application goes back to the Federal level by way of ACECQA, again re-requesting similar documentation. Since NOOSR must deal with many applications in a variety of languages, it would be much more efficient (and cheaper) to do translations in house. Further, it is absurd that a single application does not exist to satisfy NOOSR, DoCS, and ACECQA requirements, perhaps sent to ACECQA who could deal with the duplicative bureaucratic paperwork and liaise with DoCS and NOOSR as needed. In fact, since skilled migrant visas need to show evidence of qualifications, much of the paperwork provided to NOOSR, DoCS, and ACECQA merely duplicates the material already used by the Immigration Department in assessing the visa application. As a service operator, I have better things to do than sort paperwork for four different government agencies, and the fact that the process occurs with serial applications makes it far longer than is realistically necessary.

It is worth noting that one requirement for a 457 visa is that the ECEC service cannot find an Australian citizen or permanent resident qualified and suitable to fill the position. Regulations allow for waivers of qualifications requirements, intended as a short-term solution to educator shortages so that educator-to-child ratios can be maintained. Long-term waivers may be genuinely needed in some disadvantaged, rural, and regional areas, but that does not apply in most capital city areas. Sadly, I know of unscrupulous service operators who have used the shortage in qualified ECEC educators as a way of getting around regulations mandating minimum qualifications. For example, a Centre can advertise for an ECT with absolutely no intention of actually appointing anyone who might apply. The service operator can then apply for a waiver of the requirement to have an ECT in the position as they have been unable to find anyone suitable, and periodically re-advertise but not appoint to support extensions of the waiver. This waiver might allow a Diploma or even Certificate-qualified educator to occupy an ECT position, earning a much lower wage which substantially reduces operational

costs. Of course, the educator in the ECT position does not have the knowledge or experience to carry out the duties to the standard required for high-quality ECEC, but unscrupulous operators are interested in profit maximisation and not the quality of ECEC service provision. It is sadly the case that regulations on qualifications and ratios need to be strengthened not only to provide minimum standards for quality learning and development, but also to limit the operators who are unconcerned about quality and motivated solely by profit. There is nothing wrong with making a profit, I operate for-profit Centres and have done for many years, but there is a lot wrong with profiteering at the expense of the nation's children.

Another step I have taken in the past has been to form and operate a registered training organisation (RTO) relating to Children's Services. This has allowed me to tailor training and in-service courses to the specific needs of long day care and to reflect the most recent changes in regulatory requirements. I have also been able to ensure that courses are more practically / hands-on directed by running inside operating ECEC services where appropriate. Being the RTO operator also allows me to prioritise my own educators and schedule refresher in-service courses (like child protection or first aid courses) at times when a group of employees need them. Having worked with overseas-trained educators and investors seeking to build links with ECEC sectors in other countries, operating an RTO provides flexibility that is unavailable through TAFE or other in-service providers.

*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?*

As someone with more than 25 years of experience in the ECEC sector including as a service operator, I have not found understanding the subjective aspects of the NQF difficult to understand. The NQF incorporates the EYLF and reflects the earlier NSW curriculum framework approach and is a sensible implementation of play-based learning in the context of typical child development. Recently-qualified ECTs have learned about child development and how it is incorporated into the EYLF and NQF, studying the research basis for the theory and exploring its practical applications. I have certainly found it necessary to arrange for in service courses for the educators qualified below ECT level, and some have adapted to the change more readily than others. I do not see this issue as problematic so long as the ECEC service has adequate leadership.

There are, unfortunately, examples of services which lack adequate leadership. I am aware of Centres who look to employ as Director an ECT with only one year of experience as the sole ECT in a Centre staffed primarily with trainees. This is an effective way to reduce wages costs but a Director without years of experience working in rooms and as a room leader is not adequately equipped to be the educational leader of a Centre, and one with mostly untrained staff makes the situation worse. With all the administrative and other unfamiliar responsibilities of being Director, expecting the ECT to adequately guide staff on the EYLF and NQF unsupported is unrealistic. The way to address circumstances like this is not by providing guidance on the NQF, however, it is by preventing the exploitation of the regulations and thereby avoiding such situations coming into existence in the first place. I outlined earlier in this submission another tactic used to avoid employing more expensive ECTs by advertising positions but not making appointments and then applying for waivers of the qualifications requirements on the grounds of an inability to find suitably-trained educators.



As a long term service operator, I can declare that unclear regulations are much less of a problem than is uncertainty in the overall regulation framework. New governments often institute wholesale regulatory changes rather than working to streamline the existing system. This generates a massive compliance challenge in operational protocols and educator training for ECEC services, the revamping of assessment and accreditation processes, and a gigantic and often unjustified financial torpedo. Businesses crave certainty in their operating environment, and at present the changes implemented in 2014 and due in 2016 have been incorporated into forward planning. The EYLF is a fundamentally sound approach to ECEC, and the NQF whilst not ideal is reasonable. Substantial changes in the regulations governing the NQF would be a disruption that the sector does not need.

*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?*

The MyChild website could certainly be improved by making the information on it accurate. At Burns Bay Cottage, for example, we might have a single vacancy for one day due to one of the regular children being absent. We are legally obligated to report this vacancy which then ends up on the MyChild website. The Centre will then receive calls seeking to take up a permanent place despite the fact that the vacancy exists for only a single day and we do not take casual placements. In fact, single day vacancies like this are usually filled by one of our regular children so by the time it is on MyChild it has usually been occupied in any case. Another issue with MyChild is that Burns Bay Cottage accepts children from the age of six weeks, recorded in the text on the website, yet an age of one is regularly displayed elsewhere on the site which is a perennial source of confusion to parents and which the Director often has to explain. The Director has given up on trying to get the MyChild information made accurate in this regard as a futile endeavour, but still strongly resents the wasting of her time explaining an error that she did not cause and is unable to correct.

Many (if not most) ECEC services operate a website that can and does provide information to parents. However, as word-of-mouth remains the most common way for parents to find out about our services, the majority of information requests come to us by phone or (less often) email. We have a standard information pack which we provide on request, including information about the waiting list and fees. Policy and procedures manuals are available for consultation by staff or inspection by families at any time when the Centre is operating.

### **Other regulations (pp. 27 – 28)**

*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*
- *the share of fees that can be attributed to compliance costs (quantified if possible)*
- *the extent to which regulatory requirements are causing services to change the number or mix of children they care for*
- *the extent to which regulatory burdens arise from duplication of regulations and/or inconsistencies in regulations across jurisdictions.*

In my services, decisions about the mix of children taken (babies and toddlers, 2s – 3s, 3s – 4s, etc) is based on the needs of the current children in the Centre going in to the new year (both as they age and as the number of days sought changes), the incoming siblings, and finally waiting list demands. Regulatory demands are not a driver of this choice, but rather a secondary consideration – what compliance changes arise from the mix chosen, for example. In a well-established Centre, the mix does not change to a great extent from year to year.

Unfortunately, I am aware of cases where regulatory requirements have caused changes in the mix or number of children. There is a loophole in these regulations which the some Centres have exploited as a cost-cutting measure, to the detriment of quality learning and development. A 40 place Centre requires a minimum of two full-time ECTs (though I would probably employ four, with one as Director) whereas a 39 place Centre requires only one. Thus, costs can be cut by acquiring an existing 40 place ECEC service, relicensing it for 39 children, and then reducing the number of ECTs to one. That ECT position could (in the pre-NQF era) then be recategorised as a non-teaching Director to handle the administration, finances, and parent liaising, and provide most of the educational leadership to the face-to-face educators electronically from head office. In the NQF era, the teacher-Director should spend six hours per day teaching, but the sheer volume of work typically results in face-to-face teaching time being reduced. Consolidation to reduce costs was integral to this business model, which is fine for administration, but in the education area it effectively minimises individualised programming and development. This approach feeds into a cheap-but-unprepared and inexperienced ECT as Director leading a team with many trainees operating a stencil-supported and one-size-fits-all model that is a parody of quality ECEC and is little better than babysitting.

Long day care Centres and pre-schools historically arose from different philosophies – long day care as glorified babysitting and pre-school as an educational preparation for children in the year before commencing school. The qualifications requirements were different, as were the regulatory guidelines and the curriculum. This began to change in the 1980s and the qualifications requirements and curriculum were the same following the implementation of the 1986 NSW regulations. Thus, for the last 28 years, a child attending pre-school and the same child at a long day care ECEC service are taught by professionals with the same qualifications and guided by the same national curriculum. Despite this, the two sectors are still treated differently for funding purposes, deal with different government departments, and afforded different levels of respect. ECEC services are subject to State and Federal Regulations, with the national regulations applying except in cases where the State Regulation is more stringent. For example, a 90 place Centre in NSW requires four teaching ECTs plus a non-teaching ECT Director; under the National Regulations, only three teaching ECTs are required. Similarly, for children aged three to five, the National Regulations mandate a child-to-educator ratio of 11:1, but for Centres in NSW the State Regulations mandate 10:1. This is unsatisfactory as it nationally non-uniform, duplicative, and adds to compliance costs.

The funding arrangement is also duplicative and massively unfair to the sectors and confusing to parents. Pre-school is cheaper in absolute terms than long day care due to the greater subsidy from the NSW government compared to the CCB / CCR support from the Commonwealth, but it is only available during school terms and from 9 am to 3 pm. This makes comparison of cost difficult as the pre-school option requires supplemental care to match regular working hours and days. Offering a one-stop shop flexible ECEC model would

mean dealing with extra government bureaucracy and red tape for funding. In practice, pre-school is an option where there is a non-working parent or carer available but generally impractical where parents are working full-time, so the confusion for parents arising from the different funding models is actually a distraction in trying to choose an ECEC service.

One very substantial cost associated with the present regulation is the time, effort, and training needed in preparing and regularly updating the policy and procedures manual for each and every individual ECEC service. The complete set of policies and procedures for the Forest Childcare Centre exceeds 300 pages and was found to be acceptable in the most recent ACECQA accreditation. Whilst the content needs to be tailored to each Centre's circumstances and physical arrangement, much of it would be duplicated in content if not precise wording by the manuals for hundreds of other Centres. The work in preparing all of these documents was absurdly duplicative, and could easily have been alleviated had the department prepared an exemplar manual which was available for services to edit and adapt to their circumstances. For example, each policy is required to cite the individual National Regulations and Standards which it addresses, and these would be the same across the ECEC sector – typically it is only the application of those standards to the individual circumstances of a Centre that would vary. Exemplar documentation would reduce the waste of time and effort involved in compliance that is replicated nearly endlessly across the sector over time. Further, when regulations change, the department is far better placed to know what has changed and which policies are affected than are individual Centres. The department should provide exemplar policy documentation as a matter of routine.

### **Options for regulatory reform (p. 28)**

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

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

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

It cannot be denied that there were significant compliance costs associated with the implementation of the NQF. Consultations with families and educators takes time to conduct and process and fed into the challenging task of redrafting of policies and procedures. Training and in-service activities over and above those undertaken on a regular basis was expensive in both monetary and educator-time terms. The consumption of time by educational leaders to implement the change was enormous. The change to the NQF was a significant step forward for ensuring ECEC services provide high-quality support for learning and development and the overwhelming majority of the costs associated with implementation have already been met. Further, the ongoing costs associated with monitoring, implementing, and updating Quality Improvement Plans, educator training, and NQF compliance are a necessary part of assuring that the sector provides high-quality ECEC services.

Regarding monitoring and enforcement, the accreditation processes of ACECQA were substantially more burdensome in the first cycle of reviews than was really necessary, but most of the major issues have now been addressed or resolved. Some areas that still warrant attention include:

- **Consistency between Assessors:** Most ACECQA assessors have backgrounds either as ECEC educators or departmental compliance officers, and this leads to markedly different approaches to assessment. The former group tend towards a holistic view of the learning and development process, the latter look more to strict compliance with the objective criteria stated in the regulations. Both perspectives are valid, but when a compliance-officer assessor evaluates a room with a tape measure looking for technical compliance with regulations without evaluating whether the room is a well-constructed and stimulating learning environment, there is a problem. Meeting national standards should be judged by adherence to the principles which underlie them rather than by a narrow focus on technical issues at the expense of the (admittedly subjective) evaluation of whether the spirit of the regulations is reflected in the ECEC service. While ACECQA do try to ensure that each accreditation is undertaken by two assessors, one from each background, I am aware of cases where services were judged harshly by two compliance-officer assessors who undervalued their educational quality. Assessors with compliance-officer backgrounds vary in their recognition of effective approaches to teaching and learning, so even when balanced two-assessor teams are assigned by ACECQA, consistent evaluations are not guaranteed.
- **Unfair Grading:** The manner in which grades like “working towards national standards”, “meeting national standards”, and “exceeding national standards” are awarded is unfair to some Centres in light of the way the grades are interpreted by families and the general public. A Centre assessed as meeting national standards in most areas, exceeding them in some, but only working toward them in one single outcome within a single standard is classed a “working towards national standards”. To anyone unfamiliar with the system, the assessment makes the Centre sound like it has failed to meet national standards, yet the ratings across all 58 elements are consistent with a description of meeting national standards. A different Centre which is found to be working towards national standards for every outcome receives the same overall grade as the former example, yet the two Centres are qualitatively markedly different.
- **Provision of Reports:** Draft reports are supposed to be provided within six weeks and services have ten days to respond. My experience is that waiting four months is not unusual, which is highly unsatisfactory, and then expecting a response within ten days suggests hubris. The period from providing the response to receiving the final report (identical to the draft) was only a couple of days, which suggests the response may not have been read and if it was, no substantive engagement with the response was forthcoming.

The ECEC sector has gone through a difficult and expensive process in adapting to the NQF. The present regulatory and assessment burdens are rigorous, as they should be, and more importantly they are predictable. Businesses thrive in a regulatory environment where regulatory change occurs evolutionarily rather than by seismic shifts, and where changes are announced well in advance so orderly planning is possible. ECEC Centres have been through a seismic shift and have already planned for the changes coming in 2016. As a service operator,

the last thing I want to see is wholesale change that will create another huge compliance burden as we adapt. Tight regulation is necessary to ensure that ECEC services provide learning and development at acceptable quality levels as a minimum. I have noted above some examples where regulations can and have been exploited to elevate profit above the developmental needs of future generations; this calls for an improvement in regulations, not a relaxation to allow a market free-for-all as if the quality of the 'product' is of little importance. I do not favour self-regulation in areas that relate to safety or quality.

This is not to say that all regulation of ECEC is ideal. Approved Providers and Directors waste their time completing duplicative paperwork, creating an unnecessary administrative expense. For example, every time a report is made or a form submitted, whether it be to report a serious incident where a child was injured or to apply for recognition of educators in supervisory positions, a great block of Centre-related information is requested. This information never changes. It is also a problem that reporting to government departments at State and Federal levels as well as to agencies they designate creates a confusion array of requirements that is difficult to navigate. Reports which until recently went to DoCS now go to the regulatory agency, but some incidents and report types still go to DoCS. Contacting DoCS to make a report may result in being told that the report no longer goes to them, but will not identify to whom the report should be directed. Both of these problems could be addressed by directing all reporting to a single agency (ACEQCA, say) for distribution to whoever else needs it. A well-designed web interface would allow a Centre Director to log in and have standard data pre-completed, so time is devoted to reporting or requesting whatever is needed, and not reiterating what is already known. A single agency responsible for distribution would also mean only one notification of changed arrangements, rather than trying to disseminate the information to every ECEC services.

Some regulations hinder the operation of ECEC services. For example, regulations require that anyone entering the area where the children are must sign in and out, which is reasonable. However, at the Forest Childcare Centre, ACEQCA assessors insisted that the signing in and out process applies to each room, and not the Centre as a whole. Thus, if an educator needs to go to the toilet, s/he is supposed to sign out, go to the bathroom, then sign back in. The cook delivering lunch is supposed to bring the trolley to the door of each room, sign in, roll the trolley in and unloaded it, then sign out and roll the trolley back to the kitchen. If a serious injury occurs and the Approved Provider is called to the room, she is supposed to sign in before attending to the injured child or the distressed children in the rest of the group. This is an absurdly restrictive regulation or interpretation (depending on your perspective).

The limitations on the number of children permitted under licensing could also be made more flexible. Presently, if a child who usually attends on a Tuesday wants to attend on a Wednesday instead for one week, say because of some family emergency, Centres which are full are not permitted to accommodate the request. Operational flexibility (within a narrow range) on licensing requirements for the number of places would be helpful.

## Support provided by state, territory and local governments (pp. 33 – 34)

*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?*

Government support certainly improves the affordability of ECEC services, which makes them more accessible but the fact that demand is substantial beyond supply remains a problem. More support is needed, both to reduce fees to facilitate increased workforce participation for families, and to fund professional wages to educators to address the shortage of qualified ECEC educators available for growing the industry to better satisfy the demand.

*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?*

Based on the frequency of requests for assistance in the application process, in understanding how the assistance is calculated, and in addressing anomalies arising from the complexity of the system, processing delays, and mistakes from services, Centrelink, and parents, I conclude the system is confusing for families. This confusion adds an unnecessary and unfair burden onto service providers.

*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?*
- *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?*

The management of funding arrangements creates confusion and administrative problems on a very regular basis. ECEC services are free to choose from a number of childcare management systems (CCMSs) like Kindy Manager or Qik Kids, and these need to link to government systems through Centrelink. Unfortunately, there is no CCMS that plays well with the Centrelink system and issues arise on a regular basis. Many of these are connected to the payment structure for CCB and CCR, which is itself an area poorly understood by parents. CCB is means-tested and is paid to services directly on a percentage basis derived from information parents provide to Centrelink. These percentages change when circumstances change, including the number of children in care, the number of days in care, parental income, the service(s) in which the children are enrolled, transitions to and between schools, etc. Services inform parents about fees based on the percentage recorded in the CCMS, yet changes in

circumstances reported to Centrelink result in changed percentages without notification to parents or the service. The first we know of a change is when the upload of attendance data results in benefit payments different from that which is calculated by the CCMS. In other words, the CCMS calculates CCB and outstanding fees based on one percentage yet the Centrelink system overwrites this with a new percentage when the service claims its benefit rebate. The first the service knows is when the fees paid by the parents result in an outstanding balance or a credit. Trying to explain to parents how this happens is time-consuming. A similar problem arises with the CCR when the \$7500 limit is reached, when without warning an outstanding balance appears. Though parents with children attending for five or four days per week are warned this will happen, it usually comes as a shock and results in angst and long conversations attempting to explain the funding system. Worse still, the information provided by Centrelink direct to parents is frequently misunderstood by them, garbled, or simply incorrect. The Burns Bay Cottage Director estimates that she has an average of two fee-related explanations / discussions per day, which is a considerable drain on her time. The inaccurate fee notices that result from Centrelink changes and the CCR cap being reached make the Centre look unprofessional, as if we are unable to calculate fees accurately.

In my experience, Centrelink's vast array of areas of responsibility makes it inherently inefficient as staff are unable to carry out all tasks. It is not unusual for a parent report of changed circumstances to take several weeks to result in a changed percentage in the CCMS, but the effect of the change is back-dated which can result in large outstanding balances. In one case with which I was involved, Centrelink lost the proof of enrolment letter relating to a parent's study and eligibility for JET payments, and the Centre went unpaid for nearly nine months. Centrelink kept asserting that they had no information until one of several phone calls from the parents and Centre finally found that Centrelink had the letter all the time. Simply submitting another letter would have resulted in benefits commencing from a later date and leaving the parent out of pocket for the fees despite the mistake having been made by Centrelink. Centrelink's inefficiency is also seen in it expecting service providers to address problems that arise from Centrelink action. For example, a processing delay of three months might take effect from the date it is processed with the parent told to reprocess uploads to effectively back-date to the effect to the application date, which creates a mess in the CCMS. Parents are frustrated when our CCMS advisor tells us that this will actually address the issue and to send the parent back to Centrelink to address properly.

From a business perspective, perhaps the most frustrating aspect of the fee system is that any inaccurate or changed information or processing issue relating to a single family, or arising from the Department of Education or Centrelink triggers means that the CCB and CCR payment for the entire Centre is delayed until whatever problem is fixed. Businesses expect that payments will be made within 48 hours of uploading the paperwork, and cash flow management means that these large payments should always be made on time. If a single error causes the processing to be suspended, Centres may not discover that there is a problem until the payment is not made. No money is received even for the children whose benefits can be processed. Once the problem is addressed, the request is uploaded again and the 48 hour clock starts anew. This might be convenient from a bureaucratic perspective but it is unreasonable from a business perspective, especially when the processing issue arises from communications between a parent and Centrelink. In fact, if a family has children in more than one Centre, it may be an issue connected to a different Centre that is preventing the

payment to our Centre. The system appears designed (or to have evolved) without any input from a business-aware perspective.

### **Options for reform of childcare funding and support (pp. 34 – 35)**

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

Universal access to quality education is recognised as a right in some overseas countries, and the same should be the case in Australia. ECEC services should thus be subsidised to a level commensurate with a reasonable level of service being available to all parents who want their children to be enrolled. The cost of this to families should not be a barrier to involvement, though a modest contribution is reasonable. Paid parental leave at rates disproportionately beneficial to more affluent families is a much less important priority than access to affordable ECEC services of reasonable quality for low income families.

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

Problems arising from the complexity of the CCB and CCR systems have been discussed above. There is scope for both simplification of the administration and streamlining of the payments by mandating payments go direct to service providers. The inefficiency and bureaucracy of Centrelink is also a problem crying out for a comprehensive review.

Both registered care and approved care providers can access the same financial supports, so the distinction seems unnecessary to me.

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

- *Where funding is paid directly to operators of ECEC services, what conditions should apply?*
- *What would be the advantages and disadvantages of different payment models?*
- *Should childcare assistance be subject to testing of family/parent income levels, or to other requirements such as a necessity to be participating in work, study or training? If so, what income thresholds or activity levels should determine eligibility? To what extent are such requirements currently abused? What are the advantages and disadvantages of such requirements?*
- *Should childcare expenses be tax deductible for families?*

Support should definitely be provided directly to service providers rather than to parents. It is more efficient to supply funds directly, rather than funnel them through families. It provides a more predictable revenue stream to allow for smooth operations of ECEC services – government funding coming direct from government in a lump sum is more predictable than fees coming from parents. The main reason to channel money to parents is so that the government enjoys the political benefit from receiving funding support; in theory, funding going direct to services provides the same support for families but it is psychologically less



tangible to many parents if they do not see the money come through their account. Money going direct to parents can also be redirected to address more urgent financial priorities, making the ECEC Centres wait – this is unfair to service providers.

Childcare expenses are not a luxury item, nor does ECEC provide solely a private benefit. Rather, they are an investment in the future of society, one which has a tangible and demonstrated benefit on children's school achievement and ultimately to producing an educated future workforce. Better educated people earn more and consequently spend more, they take better care of their health, and they produce more valuable goods and services. In this way, ECEC services are a societal good which also stimulates economic activity over the long term. Furthermore, one of the objectives of the inquiry is to promote increased workforce participation with particular emphasis on the second income in two parent households. The Issues Paper dramatically illustrates (see Figure 3, p. 14, from the Grattan Institute) the barrier to re-entry that the cost of ECEC services can become, either preventing the return to paid employment or limiting the number of hours where it is worthwhile to work. Increased workforce participation is thus both economically beneficial to society and a policy priority for government. It is also beneficial to the individual, fostering social interaction outside the family and promoting self-worth and self-esteem from an activity away from parenting. That all of this can be achieved in a manner that fosters child development is a happy confluence of desirable outcomes. The cost barrier to re-entry can only be reduced by the government recognising that ECEC services are as much a part of the education system as the schools sector, and it requires support commensurate with its importance. Recognising the societal benefits which are provided by ECEC services and by increased workforce participation, making ECEC fees fully tax-deductible for parents is justified from a policy stand point. As many parents incur these expenses as a necessary part of being able to work and earn an income, it follows that making these costs tax deductible is also reasonable.

In the school sector, a government system operates with little in the way of fees, but no similar system is in place for the years prior to school. International best practice recognised access to ECEC services as a right (as documented in the Economist Intelligence Unit report from 2012 cited earlier), and in this area Australia has fallen behind comparable OECD nations. The only way to increase the availability of services is to increase the supply of educators willing to work in ECEC, and that requires professional wages. Recognising a universal right of children to education prior to entering the school system means the services must be accessible and affordable as well as available, which means that the increased wage costs cannot come from fees. The only viable way to pursue all of these objectives is with increased government spending, which really should be recognised as actually investment in the future. Unfortunately, this is contrary to the ToR about recommendations within existing funding constraints. Sadly, the Productivity Commission is stuck with four unpalatable alternatives:

- pursuing increased workforce participation by abandoning the notion of ECEC services as education, deregulating the industry and returning to the days of childcare as babysitting
- pursuing high-quality ECEC with universal availability by implementing professional wages to stimulate growth of the industry but with substantially increased fees thereby increasing the barrier to workforce participation and the accessibility barrier due to unaffordability
- pursuing both the workforce participation and universally-available high-quality ECEC by funding professional wages and additional parental support out of other spending,

most likely by massively curtailing the paid parental leave scheme advocated by the Abbott Government as an initial savings measure

- reporting that both the workforce participation and universally-available high-quality ECEC goals need support and this is impossible within the existing funding constraints.

I personally favour a combination of options three and four, and staunchly oppose option one as anathema to every principle on which my profession operates and for which I have worked and advocated for decades. I fear that the ToR may have been written hoping that you would not distinguish between babysitting, nannies, family day care, and high-quality ECEC services operated by professional educators. I implore you, do not fall into this misconception and condemn Australia's future generations to relative mediocrity.

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

Given what I have written above, it might be surprising to learn that I have no objection to ECEC services in a home setting. Funding support for ECEC family day care and even ECEC nannies is unobjectionable in principle, though challenging to monitor and regulate in practice. However, this applies only if the in-home services do provide genuine ECEC services, delivered by appropriately trained educators, subject to national standards and assessed in line with NQF principles. Currently, ACECQA is struggling in assessing in-home family day care models, and I suspect nannies would be even more of a challenge. Nevertheless, these models are reasonable options which parents can choose provided they are actually ECEC services. The international experience, notably in New Zealand, has shown that mandatory standards and monitoring are essential for quality ECEC to be maintained in nanny and family day care delivery modes.

The term “nanny” tends to invoke images of a domestic carer who cleans and tidies the house, does the washing and perhaps the cooking, runs errands, and supervises / babysits the child(ren). It is a low paid job as it requires comparatively few skills. If government wishes to subsidise nanny care of this type, it has the option to do so. It would be an example of middle class welfare meant to ease the burdens on affluent households in the hopes of currying political favour, but governments take such actions. What the government is not entitled to do, however, is to call this an ECEC service and to pretend it has an educational goal. The same applies to family day care that follows no educational curriculum, has no standards by which it is assessed, and has no educators qualified to monitor and direct learning and development. Support for any type of childcare is reasonable if and only if that childcare is a true ECEC service operated by educators towards evaluated educational objectives.

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

ECEC services are expensive for low-paid employees, which sadly most ECEC educators are. Government-provided subsidy to allow the educators to return to work and to alleviate the stress of meeting the fees charged by the ECEC service in which they work, would be a welcome development. It would show some valuing of these educators by the government

and it would be timely at the present moment as ECEC educators feel undervalued and disrespected at present due to fallout from the policy-reversal on the EYQF.

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

There is not only scope for rationalisation in funding arrangements, in fact there is huge scope. Pre-schools and long day care ECEC services follow the same curriculum and have the same qualifications requirements but are funded from different levels of government. Federal funding comes as the CCB direct to services, whilst the CCR comes to operators or to parents, family tax benefits go to parents, and educator support (such as for improved qualifications) is funnelled through services to training organisations. For some additional needs or at risk children, there is funding coming from DoCS while the funding for extra support staff for additional needs children comes from DoCS via the Supporting Children with Additional Needs program for pre-schools or from the Federal Department of Education via the National Inclusion Support Subsidy Provider for long day care ECEC services. This means funding is coming from Treasury to parents through the taxation system, from the Federal Department of Education, the Federal Department of Human Services (via Centrelink), as well as through the State-level Department of Education and DoCS. Surely a more streamlined and economically-efficient funding structure is possible. Of course, politics will likely interfere here as money channelled through parents is meant to engender a feeling of gratitude and is done in the name of offering choice.

## **Other Issues**

### **Market Failure**

I have argued that the biggest problem facing the industry is insufficient wages for the professional work of ECEC educators. Low wages are a disincentive to entering the sector and a prime reason for experienced educators to leave. The resulting workforce shortages make meeting regulatory targets for qualifications and ratios more difficult, and staffing new Centres very difficult. The cost of expanding an existing service or establishing a new one is prohibitive in many areas because of the value of real estate. The conventional economic response to this situation of demand far exceeding supply is to raise prices. Higher prices would provide revenue to pay higher wages to attract and retain educators. Higher prices would provide additional profit which could be used to support expansion of the industry. Unfortunately, there are many reasons that this “solution” is illusory.

Firstly, ECEC is an essential service for many households, meaning that demand for it is inelastic. The inadequacy of government support already makes the cost of high-quality ECEC prohibitive for many families and so as prices increase, some families will change to a cheaper (and likely lower-quality) service, though making sacrifices in other areas for the sake of providing their children with the best start in life is another likely response. Some families will be forced to change modes of ECEC, such as using family day care instead of services operated by qualified and experienced educators, in search of reduced costs. In some cases, higher costs will prevent the parents (particularly women) from re-entering the workforce as the amount of work needed to earn back the costs of ECEC services increases. All of these responses are undesirable from a national policy perspective. They are also inconsistent with the notion of a universal right for children to access an ECEC service. The inquiry's ToR make

increasing workforce participation a priority so recommendations are needed that will inhibit the growth in ECEC costs, rather than to support the economic response of increasing prices in the face of unmet demand. Also, higher-quality ECEC leads to better educational outcomes for children and a better prepared populace for the knowledge economy which is known to reduce future demand for public expenditure.

I apply the term “market failure” in the sense of a circumstance where market forces do not produce a fair price because relevant considerations are not represented in the market. A classic example is environmental damage caused by industry, which was often not included in the price of commodities until government acted through regulation or adding a price signal to account for the cost of pollution and environmental degradation. In the ECEC market, the interests not represented within the market are the desirability of fostering increased workforce participation and the social and long-term economic benefit from high-quality education. Both of these factors call for a reduction in ECEC fees but the demand pressure and the ECEC workforce shortages are causing fees to rise. In this way, the market solution is illusory as it frustrates the policy objectives and the needs of society. Market forces alone will not resolve the problem. I mentioned earlier the four options that I can see for the Productivity Commission to explore. A fifth approach, really a strategy available once the current funding constraint is discarded, would be to build a publicly-funded ECEC service along the lines of public schooling. Parents would have the option of choosing a more expensive private option, but a genuine universally accessible sector would exist. Just as government meets the wages cost of public school teachers, at levels commensurate with their status as education professionals, so too would government meet the professional wages of public service ECEC educators. As in the school system, parents who choose a private ECEC alternative would have a subsidy from the government for their child’s place, which would be paid directly to the service operator, with the gap paid by parents as with present fee arrangements.

### **Fair Work Australia Case**

The Abbott Government have made comments relating to the EYQF that inadequate wages in the ECEC sector are not a government problem, but need to be addressed by Fair Work Australia (FWA). There is a case in progress which is premised on the fact that the ECEC sector is a traditionally feminised industry and consequently educators are undervalued. Assuming *arguendo* that the case is successful and significantly higher wages are enshrined in the award, an immediate problem will follow: from where will the money come to pay these higher wages? The answer can only be by increasing prices. Professional wage levels are approximately \$10 per hour above the current wage levels. In the case of my Centres, I have estimated that a price rise of around \$47 per child per day would be needed to fund such an increase, and this would raise all the problems discussed in the section above. The only solution that I can see is for government support to subsidise the price increase, perhaps by increasing rebates to offset price rises or by direct subsidies to ECEC Centres to avoid price increases. The latter is what the EYQF was meant to do, in a limited way. If FWA order a wage increase to a professional wage level, this will mean that a recurrent cost of \$1.2 billion to \$1.4 billion per annum will need to be met. I submit that the Productivity Commission needs to consider the implications of possible FWA rulings.

It is also worth noting the incongruity of the Government positions. This inquiry seeks to support increased participation by women in the workforce, yet the government acted to

prevent the mostly-female educator workforce in the ECEC sector from receiving professional wages. A cynic might think that the Abbott Government is in favour of women working so long as they are not paid at professional levels. Supporting workforce participation includes work in the ECEC industry; for educators who are parents, working for low wages while paying high costs for ECEC is not an attractive option.

## **Concluding Statement**

This submission includes discussion of a huge range of issues facing the ECEC sector, exploring the industry through the lens of the questions posed by the Commission's Issues Paper. Some of the discussion has been fragmented as a consequence, and some suggestions and recommendations are more speculative than concrete. Below I list the key points as I see them:

- High-quality ECEC is not the same as babysitting, and it is recognised as a right in some overseas countries including New Zealand and parts of Europe. Australia should also recognise a universal entitlement for every child to access an ECEC service provided at a mandatory standard.
- International experience shows that quality ECEC services in whatever mode require adequate funding support, a set of national standards, and a rigorous process of monitoring and assessment.
- ECEC services of the required standard can only be provided by qualified education professionals, and they will only be attracted to and remain in the industry if they are treated as professionals and remunerated accordingly.
- ECEC educators do not feel respected as professionals and their wages are unreasonably low, a fact likely due to it being a historically feminised industry. Government needs to recognise this basic fact as a matter of urgency, and failure to do so will likely be over-ruled by Fair Work Australia. Planning for the reality of professional wages is essential as there is a significant chance they will come about irrespective of government policy and action.
- Professional wages would raise the per hour rate for each employee by around \$10 per hour, which based on Burns Bay Cottage data equates to a fee increase of around \$45 per child per day, or if met by government spending, between \$1.2 billion and \$1.4 billion per annum across the sector.
- Professional wage related fee increases will substantially increase the barrier to access of ECEC services, which is inconsistent with a universal right.
- Large fee increases will also impede re-entry to the workforce for the second wage earner in two parent households, which is inconsistent with the declared goal of the government.
- Full tax deductibility for ECEC expenses for families would partially alleviate this problem, and should be considered, but only government intervention will foster increased workforce participation and provision of high-quality ECEC services.
- The assistance provided through the CCB / CCR system is already inadequate with many families experiencing serious difficulties in paying existing fees.
- The assistance for including additional needs children in mainstream ECEC Centres is inadequate, and more support by means of funding or skilled professionals to work with groups of children across different Centres is needed.
- The funding systems are convoluted and bureaucratic. They waste the time and money of senior Centre staff in processing, resolving problems, and supporting parents

as they attempt to understand the intricacy of the system.

- Duplication of processes by having funding come from multiple sources within different levels of government is inefficient and burdensome.
- The regulatory burdens associated with the NQF, educator-to-child ratios, and accreditation are necessary because standards need to be set and maintained. The 2016 ratios will foster better quality ECEC services, though they also pose a recruitment problem given the on-going exodus of qualified staff from the industry. The regulatory problems lie in the monitoring and reporting areas, not in the compliance with minimum standards of care, safety, and education.
- Unscrupulous service operators have already found several ways to exploit the current arrangements, placing profit above the needs of children. These loopholes need to be closed and disincentives to working the system introduced. The ECEC sector does not deal with a mass-produced product where brand substitution is of little significance, but rather with individual children who are society's future. For-profit ECEC services are fine, but the needs of children must come first.
- The modes of ECEC service provision do not matter, it is the fact that genuine education services are provided by qualified professionals working to national standards and subject to assessment that matters. Government support for ECEC services provided by nannies is reasonable (though this poses a challenge for assessment) so long as it is genuine ECEC that is provided.
- Centrelink is bureaucratic, inefficient, and prone to mistakes which create unnecessary work for service operators and which reflect poorly on Centres. This is neither fair nor reasonable.
- ACECQA has endeavoured to improve the accreditation process but it is very much a work in progress.
- Funnelling all paperwork through a single body (such as ACECQA) with online reporting using forms pre-completed with standard details for distribution to other agencies as needed would be vastly more efficient for services and avoid the current confusion that arises with reporting to different departments and agencies at different levels of government and where the requirements seem to be constantly changing.
- The twin goals of high-quality ECEC services and increased workforce participation by parents cannot be met within existing funding constraints. Something has to give. Please, let the outcome not be the degradation of the ECEC sector.