

Response to Productivity Commission – Childcare and Early Childhood Learning

I am providing this response in my capacity as a working mother of three children and my five years experience of President of a Committee of Management run kindergarten, that has lived through and implemented responses to the National Quality Framework and Universal Access.

1 What is this study about?

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

There should be a consistent approach Australia wide to the level of involvement of the different levels of government. Currently in Victoria, we have kindergarten services (3 and 4 year old programs) provided in predominantly council owned buildings, education funding provided by the State Government and major regulatory changes dictated by federal government.

These important services are often managed by a volunteer parent body that changes on an annual basis, who may or may not have the necessary skills to effectively run the kindergartens. Degree qualified educators are often having to educate parents on how to run the centre, which can limit the time they spend on educational programs. Dysfunctional management committees can destroy kindergarten programs.

Further inequality exists when Government provides significant rebate funding only to long day care centres such as the Childcare Benefit and Childcare Rebate. Childcare centres are now required to provide a 15 hour kindergarten program, parents receive upto \$7500/ child. Parents who choose a kindergarten program in a non long day care setting should also be entitled to the same government benefits. Government benefits should be portable between centres to provide parents with choice.

Minimum wages should be standard across the entire industry - the proposed extra \$3/hour for Certificate III trained assistants for long day care staff, meant that assistants in kindergartens, with the same qualification were paid less money.

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

A simple, quality, affordable approach that is consistent Australia wide providing greater education portability when families relocate around Australia or their circumstances change.

A system that seamlessly allows parents to make choices that best suit their families.

A system that doesn't financially favour one delivery methodology over another limiting parents' choice.

A system that values the educators as it is well proven that the quality of the teacher has a significant impact on the learning of the child. Highly educated children will lead to increased productivity and revenue for Australia, creating a better society overall.

2 Demand for and expectations of childcare and early learning services

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?*

Our personal ECEC needs have changed overtime. Having children at school is just, if not more, complicated than young children that are yet to start school. School aged children often have a range of after school activities that require someone to take them too, or if parents are both working and cannot arrange nor afford this, the child misses out on the extracurricular activities and the overall benefits these are proven to bring to a person's life such as improved physical and mental health and team work skills.

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

With increasingly both parents choosing or needing to work, and increasing single parent families with reducing welfare benefits, it is obvious that all family types are highly likely to require more use of varying ECEC in the future.

Children's development needs

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?

Possibly, however increasing the length of the school day takes away from the opportunity for school students to participate in extra-curricular activities. Possibly some schools are able to offer these within the school, however many State schools would not have the funds to provide these services. Providing funding to parents to pay for babysitters / nannies / au pairs to take their children to these activities would allow parents to continue to work (productivity and tax revenue to the government); provide the benefits to the children participating in the extracurricular activities (improved physical and mental health and team work skills) without needing to provide the necessary upfront capital to try and run these programs in a school location.

There are also significant wellbeing benefits for children who meet and form friendships with children from a wider social group, other than just their school friends, for those times when their friendship group at school is not functioning for them or it is nonexistent.

Impacts on workforce participation

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?

For our family flexibility and quality has been the most important, followed by affordability. We have used nannies, occasional care, kindergarten and early childhood centres. We now have an au pair.

When the children were young we wanted more individual attention for them than we felt a ratio of 1 adult for 5 children could offer in a long daycare setting. We also wanted a childcare model that would support keeping the children in their home environment and offering different stimulating activities such as going to the park and different outings. We needed a ECEC arrangement that supported us as working parents, rather than us having to “do it all” eg work a 40+ hour week, do all the “maintenance” for the children (washing, cooking etc). The long day care model does not assist parents with all the unpaid work that is still required once they have finished their “paid work” for the day. It adds to the stress families feel as we try to juggle it all.

As the children have started school, for a family with parents that can work long hours and three children with varying extracurricular activities, flexibility and affordability have become increasing important. I am involved in a number of volunteer board positions, which benefit the wider community in addition to myself, which I can only undertake if I have someone to also mind the children. Child minding should not just be thought of in the context of paid work. Volunteers contribute billions to the economy, in Victoria alone it contributed \$16.4 billion¹ to the economy, yet only 20-25% of the community volunteers. If this important group of people is too tired to contribute and the wider society is unable or unwilling to contribute, as a society we will be worse off.

We now employ an au pair and find it is working best for our family, it is affordable and flexible and allows the children to participate in extracurricular activities, my husband to work and I to undertake paid work and volunteer opportunities. The biggest drawback is the 6 month changeover for au pairs, they should be allowed to stay a minimum of 12 -24 months with a family. Which will be discussed further in this response.

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?

We have accepted lower take home pay for higher quality and flexibility we have also accepted less formalised care to trade off flexibility and affordability.

¹ <http://www.volunteer.vic.gov.au/about-volunteering/research-and-publications>
Economic Value of Volunteering in Victoria

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

I feel it is a combination of both. Increased female education, higher standards of living and higher living costs would also be a factor.

3 Availability and cost of childcare and early learning services

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?*

The types of ECEC that government “supports” through providing funding ie predominantly long day care does not provide the adequate flexibility required to support our work and volunteer commitments. Running my own business means my work commitments are not consistent, long day childcare, with its fixed day and cost requirements does not provide adequate flexibility ie I can’t withdraw my child if I do not have any work. This lack of flexibility with a high fixed cost means we have sought alternative more affordable childcare arrangements in the form of an au pair.

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

Vacancies are usually sought through contacting centres directly. I have used the My Child website but the information was out of date, therefore I did not trust the accurateness or quality of the information.

Flexibility of childcare and early learning services

The Commission is seeking information on:

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

Based on my experience as President of a committee of management run, it is difficult for centres that operate on slim margins to offer “flexibility” for the service arrangements. High fixed staff costs, mandated child:staff ratios, fixed income stream from government funding means we have to operate with very little vacancies to ensure we break even every year. Unexpected staff absences filled by agency staff can decimate any surplus in a kindergarten budget. Any wage increases must be met by similar increases from government funding otherwise the cost is passed onto families making kindergarten unaffordable.

Cost of childcare and early learning services in Australia

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

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

One of the reasons we have chosen an au pair is to provide flexible care that is affordable when income levels can vary.

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

Education of children, the future adults of Australia, should not be based on “competition”. If anything it is a scarcity issue, there are more children than spaces in many areas so prices go up, regardless of the “quality” not down.

4 Government regulation of childcare and early learning

National Quality Framework

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.*

See my earlier comments in respect of my views regarding the different levels of government and the impact on kindergartens.

In principle I agree with have a “National Quality Framework” it goes some of the way to ensuring children receive the same “base level” of education in the year prior to commencing school regardless of where they live in Australia. However the implementation of the system was appalling.

In Victoria approximately 90% of children were already attending a kindergarten in the year prior to attending school. We are a state with an established system. What was handled badly was the “competition” for funds to provide the infrastructure to ensure that the impact on existing 3 year old services was minimised (research shows two years of early childhood education are superior to one).

At a federal level the policy decision was made, some funds were provided to the States to implement it, but disagreement between the Federal, State and Local governments meant that many volunteer parent committees were left trying to implement a hastily rolled out system. Some local governments, including the one in which I reside, initially provided no support to committee of management kindergartens. The State education departments were under prepared and unable to provide the level of support that would ensure the NQF was rolled out smoothly. Many kindergartens in our area were educated by one of the kinder directors on the implementation of NQF, as neither DEECD nor ACECQA had worked out a process yet.

Even now rumours are that the department has awarded its maximum number of “exceeding” ratings, so the best a service can hope for is a “meeting”. It is inappropriate that to be assessed for the highest level you have to pay for it. Some services that may be deserving of the rating may not be able to receive it as they are unable to afford it.

There is concern that the criteria are sufficiently vague that the rating a service receives will be based on the discretion and biases of the person who undertakes the assessment, rather than reflecting the quality of the service. There is concern that if the assessor is having a bad day, and the service ends up with a poor rating, published for all to see, that it will not be an adequate reflection of the quality of the service and impact negatively on its ratings for years to come.

Kindergartens run to the school term, letters have been posted by the department during holidays, meaning a service has less than a minimum time to prepare for the audit. Departments should understand when services operate and not expect a response to mail that is delivered during a holiday period.

Due to the education requirements we have lost experienced members of staff who had undertaken most of the training, but as they had not completed it and were unable to gain recognition for their years of experience have left the sector altogether. I have heard of a number of experienced teachers retiring due to the increased paperwork requirements. A kindergarten does not have a non teaching staff member to complete the paperwork like many long day and private childcare centres do, our cost structure does not support this level of administration support.

The cost of increased hours and staffing requirements will be passed onto parents.

Productivity Commission Review of Early Childhood Development Workforce

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*
- *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.*

Based on my recruitment of staff over the years there is a significant shortage of degree qualified early childhood teachers. This is a four year course, so it may not be possible for some services to meet the teacher requirements of the NQF within the necessary timeframes. There seems to be a lot of Certificate III qualified assistants, however the quality of the assistants varies widely. I have met a number of staff keen to get out of the long daycare settings and into kindergartens as they feel the environment is more welcoming and better aligned to their values.

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?

No. It is too open to interpretation by the assessor which may impact negatively on the outcome of the service. Perhaps a parents' view on this, rather than a stranger making a short assessment in the room many assist with this criteria.

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?

Central enrolment systems as employed by many councils assist with this. This issue is requiring centres to be part of it and the willingness of councils to fund it.

Other regulations

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.*

The regulation requirements have increased the operating costs of our kindergarten. They have required additional paid management hours for some of the teachers, which are on top of their teaching and non teaching hours. We have also had to increase the number of hours the administrator works. These costs are all passed directly onto parents.

Options for regulatory reform

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?

I do not believe there is an easy way to have a consistent standard of early childhood education. It is disappointing that our kindergarten, which choose not to join a cluster management at this time, was not eligible for the funding that cluster managers receive to assist with managing kindergartens. It is another example of the inequality of funding that is applied to the sector. Another inequality, discussed earlier, is the application of CCB and CCR to only some and not all ECEC.

5 Government support for childcare and early learning

Some general questions about government support:

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

Government funding choices seem to support only long daycare centres, effectively limiting parents choices and assisting private operators increase their profits. If true equality was provided to truly support all parents choices, the funding would apply to the child (not the service) and the parents could choose where to apply it. Government seems to favour, reflected by the funding arrangements, institutionalised care only for our children.

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

This is a question that is difficult to answer as it is not transparent just how much support is provided. There is the CCB and CCR, there is the funding provided to 4 year old kindergarten places, which is state based so likely to be different across the states. There are the teachers salaries which vary across states, there is the level of capital funding provided to assist with meeting the NQF and Universal Access. As none of the States appear to be doing it well and on a global level our education standards are dropping, I guess my answer would be no.

Some specific questions for families claiming government support:

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

Yes. The whole system is confusing. Different centres are eligible others are not. Make it one system.

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

No.

Options for reform of childcare funding and support

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?

This funding decision is not just about families when their children are young. It is a decision about where do we want Australia to be as a Nation and what is required to get there. You cannot expect to increase female participation in the workforce without it impacting on other sectors in the whole economy such as children's access to extracurricular activities and the volunteer sector.

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?

Make it simple, make it a flat allowance / tax deduction that applies to all children regardless of where they go, giving parents real choice. Assist low income families through Family Tax A and B rather than trying to over complicate the ECEC sector.

Should childcare expenses be tax deductible for families?

Yes.

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

Make it a flat rate / tax deduction. Make it applicable to everyone. There is less compliance. Currently the system overly favours long day centres that are privately operated. There is more flexibility for choice and when circumstances change faster than can be processed.

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

Make it applicable to everyone. There is less compliance. There is more flexibility for choice and when circumstances change faster than can be processed. Lower socioeconomic groups can be supported more through other existing welfare benefits.

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?

Yes. Fund parents is a way that allows parents to choose a childcare that best fits their needs rather than trying to make parents fit into models that are more convenient for others.

It is challenging to meet work deadlines when you know you have to leave by no later than a certain time, allowing for traffic, to get to the centre before it closes and then go home and cook dinner and do homework and get the kids to bed. It creates tired and stressed out families, children can't learn as well, parents aren't focussed at work and productivity is impacted.

Society is a living breathing system, we all rely on each other for support. You can't expect to increase female participation rates, females in senior leadership positions and maintain a population growth rate (and the tax revenue that goes with that) that is not completely reliant on skilled migration without providing families the ability to choose the childcare arrangements that will work for them, meeting their flexibility, quality and affordability requirements.

I also request that the Productivity Commission consider a recommendation to allow au pairs to have a Working Holiday visas or a specific au pair visa that allowed them to stay with families for longer than 6 months, permission to stay up to two years would be idea.

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

There is always scope for a more streamlined and straightforward funding process.