

## Childcare and Early Childhood Learning

### *Productivity Commission Issues Paper*

**This submission is provided in response to the terms of reference issued 22 November, 2013.**

**Primary OSHCare** strongly supports the review of child care and early learning systems. As a provider of OSHC services in Sydney we face serious bureaucratic impediments that impact significantly on the most successful delivery of the National Quality Framework in Sydney.

We are providers of OSHC to 26 schools around Sydney city and write from the perspective of service provision within this geographical area.

Our company focus is to provide the highest quality care to children along with a commitment to the NSW Department of Education ('DEC or the Department'), Private & Independent schools, Principals and wider school communities to be efficient, effective and reliable in delivery of this service. We take a partnership approach with all our stakeholders.

We are a commercial, family run organisation, we employ in excess of 250 Sydney residents and currently care for over 2000 children each day. Our commitment and concern for the industry and its future is sincere. We see our role as an industry leader, to support the NQF and operate sustainably. We support the activities of industry organisations - 'Network' and ACECQA in looking to provide excellence in care and sustainability to the sector.

With respect to the Issues Paper, our organisation is specifically concerned about the impact on low cost, high quality care, accessible to all families through:

- Unrealistic expectations of Department Licence Fees driving up the cost of service provision (as evidenced by the +300% increases experienced over the past 2 years).
- A tendering process that favours maximising financial return to the Department over quality of childcare.
- The lack of simple, consistent and transparent Department tendering processes implemented by personnel who understand the requirements of the NQF
- A lack of acknowledgment by the Department that out of school hours care is a significant and integral part of the school day
- A lack of Departmental support for the NQF as it evolves to best suit the industry
- Complex bureaucratic processes between the various arms of administration that preclude more efficient interface
- Unclear identification of OSHC sector issues
- Poor industry consultation by regulators among OSHC providers (including both profits and not for profit organisations)

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## **PROVIDING OSHC IN SYDNEY**

Sydney is currently in the grip of a population boom - identified in the last census and the subject of consistent local and national media attention ever since.

Already, parents of school age children struggle to find appropriate care while Schools struggle to provide appropriate space (or fail to prioritise space) to house OSHC services.

In Sydney the issues around OSHC service provision are more grass roots than measures of service quality (i.e. affordable and flexible care). Many Parents cannot even find spaces or providers to care for their children. Children are going home alone and remain unattended between 3 and 6pm or are cared for informally by family and friends. Children under 12 are placed at risk when they are left home alone or placed into informal care situations.

While our organisation provides OSHC services to a variety of education providers (ie, Public, Private & Independent primary schools), our major partner organisation is the Department of Education & Communities (the Department). Within the DEC, the Asset Management Unit manage the tender process. The AMU has advised their commitment is to gaining the highest financial return for use of scarce school space and to prioritise scarce school space for the best return. Without capacity to house OSHC on school campus, provision of the service becomes onerous given Sydney rental prices and lack of appropriate space.

It has been our experience that although tendering requires provision of the evidence of service delivery to NQF standards – the financial contribution is the biggest single factor contributing to a successful tender. This factor has been confirmed informally by current and former clients and is completely at odds with department, industry (and our organisational) stated goals. Tender panels are currently comprised of Assets Managers, DEC personnel (SED) and Principal and Community members (usually parents). It is our belief that none of these panel members would have any knowledge or experience in the operation of a children's service, the National Law or the National Quality Framework. The only aspect of the tender which they can reliably judge is the fees charged and the money which is offered, without consideration of how this amount will be covered.

Tender success weighted in favour of financial return is contrary to the ethos and intention of the NQF, it places an onerous financial burden on smaller operators and ultimately increases the cost of OSHCare for families unnecessarily. It has the capacity to render the NQF irrelevant in Public Schools. It is also an unsustainable position as costs in the provision of care can only be cut so far or prices (charged to families) increased by only so much.

## **TENDERING**

In summary, the experience of our organisation in dealing with the current approach for establishing an OSHC in public schools in Sydney can be summarised as

- a dramatic shortage of places coupled with
- cumbersome and incompetent tendering and service management
- an emphasis on financial return over delivery of child focussed, highest quality service that supports productive educational and developmental experiences

Ongoing attempts to bring these issues to the attention of the AMU team and in turn the Minister have met with highly ineffectual responses. In fact, the language at times has bordered on threatening. Our business is highly vulnerable to a system of selection and delivery that is not transparent. We believe a focus on financial return and quality service are mutually exclusive under the current AMU tender model.

With such a critical lack of available OSHC spaces in Sydney, our organisation is incredulous at the lack of support and understanding of the wider issues evidenced through dealings with the NSW State government.

We welcome all attempts to review and improve processes around the establishment of OSHC facilities in Sydney (including streamlined and transparent tendering) to ensure objectives of schools; the department; the children and families as well as the NQF are met.

#### **SERVICE MANAGEMENT**

Once tenders are won (or lost); notice periods to service commencement (or withdrawal) can be shorter than 30 days. The DEC division that deals with Approval to Commence services (ECECD) have a published approval period of 90 days. This bureaucratic inconsistency alone creates confusion, obstacles and aggravation for both the school principal/P&C and OSHC providers. These transitions are also unsettling and inconvenient for families and children.

Legislated space ratios provide another disconnect between policy and reality in overpopulated inner Sydney. Some schools simply do not have the real estate required to house a dedicated OSHC facility that meets National Standards and are hamstrung to provide an alternative.

The cost to operate and manage OSHC services at Public Schools is increasing rapidly. We believe the DEC expect OSHC providers to either

- pass on costs to parents through fee increases (which in time will be escalated to the government in demands for more realistic CCB support)
- reduce staff and operational costs (impacting the quality of service delivery and NQF compliance)

*Both of these options are unsustainable*

Within inner Sydney, we anticipate the pressure will result in operators forced to identify alternate venues (off school campuses) for OSHC service delivery. While accommodation off campus may be feasible and perhaps more convenient for administrators such as the DEC - this does not support the best outcomes for the child. Risk and inconvenience factors escalate impacting both children and parents.

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## CASE STUDY

Every January, our organisation is contacted by parents who have been searching for OSHC arrangements for the previous 6 months while preparing their child for school. They request accommodation of their child at one of our centres close to their school. Where possible, we will accommodate, but in many instances our centres do not have space, flexibility or capacity to cover. In addition, OSHC Centres are required to prioritise enrolments for students. In every case we independently contact the school in question advising of the request and to offer assistance. Regardless of whether an OSHC is set up on site at the school in question, this is a longer term outcome and doesn't solve the issue at hand for the families who called in the first instance.

The worry and stress these parents (particularly mothers) are experiencing is evident and greatly concerning. The call to our organisation is typically a final desperate attempt to identify a solution.

Such calls have forced us to look creatively at this problem, make new, innovative approaches to service delivery. Our creative attempts to identify alternate OSHC solutions are a response to needless bureaucracy complicating a straight forward need. Such barriers will surely unhinge providers with less capacity than ours to respond to such obstacles and increase staffing costs on those organisations in a position to spend the time working on them.

We have undertaken correspondence with the NSW Minister, our local member and are attempting to work with councils in the local areas to gain support as needed. In recent months our organisation has had the opportunity to liaise with the South Australian Department of families and communities. Their approach to OSHC is entirely child focused and appears to embody delivery of the NQF objectives. Rental of premises is incidental to the quality of care provided. From a top line perspective, this approach appears more appropriately aligned to industry and family objectives.

We wish the Productivity Commission every success in this investigation and look forward to positive outcomes for our most vital and vibrant industry.

Yours faithfully

Dennis & Suzanne Blythin  
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