

I am a child care educator with a Diploma in Children's Services and have nearly 20 years experience in both centre-based and family day care. I am passionate about providing the best care and education appropriate to the age and needs of each child in my care.

My submission is about two issues facing parents – childcare places and costs - both due to unnecessarily heavy regulatory requirements.

### **National Quality Framework:**

No one will dispute the benefit of high quality early childhood education. While high quality would be an ideal goal, both public and private resources are limited and there needs to be a practical approach to achieve 'optimum' quality rather than some ideal 'universal high quality'. A simple analogy is that a Mercedes Benz sedan might be considered high quality but a Toyota Camry may provide a cost effective optimum quality solution.

The National Quality Framework (NQF) is an attempt at improving quality and has elements that are good but it goes overboard in a number of areas. For example, the NQF Quality Area 1 (Educational Program and Practice) standards are sensible but the accompanying "Educators' Guide to the EYLF" is full of academic gibberish. Most of it means nothing to the average educator or to the parents.

Also, the educator to child ratios (especially in Family Day Care) limits the number of available 'places' and increase the 'cost per child'. For a qualified Family Day Care (FDC) Educator, there is no discernible difficulty or difference in providing care for 4 or for 5 children, but the ratio has a significant effect on the cost per child to the parent. Currently, 4 children (their parents and public through CCB/CCR) are meeting the costs of a FDC Educator's gross income. A ratio of 1:5 has traditionally been considered appropriate and the increased ratio will reduce the cost per child by 20%. A mother caring for 5 of her own children is not assumed to be providing less of a care than a mother caring for 4 of her own children.

### **Regulatory Requirements for Centre-Based and Family Day Care**

The Productivity Commission Issues Paper refers to an average fee of just over \$7 per hour in the March quarter 2013 and notes that the average fees in the ACT are substantially higher. Part of the reason for the above average costs in the ACT can be attributed to the high cost of regulation in the ACT. It is almost impossible to establish and run a small scale (25~30 place) centre in the ACT due to planning regulations and zoning, requirements for traffic studies, parking, community consultations, and various other requirements essentially acting as barriers to entry. Given the significant barriers to entry for new entrants, the established centres can charge increasingly high fees.

On the FDC front, one of the FDC schemes charges a combined \$1.15 per hour per child from parents and educators, which is around 16% of the cost of care. The schemes have no contestability or accountability to the parents or the Educators, and irrespective of how inefficient the schemes are or how overpaid their staff are, the schemes can increase the fees charged to the parents and educators. Even those parents highly satisfied with the services of the FDC Educators resent the ongoing brokerage payments to schemes but has no choice.