

**Productivity Commissions Inquiry into Child Care and Early Learning Issues Paper**

**Government involvement in childcare and early learning**

The Council believes that Government investment levels must be increased to match the importance of early childhood education and care to society. Both State and Federal Governments should meet their social responsibility to deliver education to children from birth. The rhetoric of the importance of the first five years of life is not necessarily matched by Government policy. In particular the lack of policy support; if Government truly believes that the first five years of a child's life is critical to their development, then the funding support for the sector should, at a minimum, match the level of funding given to children from 5 years to 12 years in the education system. Subsidising parents with early childhood education and care costs is not the one solution.

Early childhood education and care is the shared responsibility of all levels of Government. All levels should contribute to support quality education and care accessible to all children regardless of their socio and demographic environments. Governments also have a role in increasing the sectors workforce participation through incentives for training of educators and teachers.

It is believed that the Federal Government should play a role in providing funding support, while the State Government has a focus on developing the sector through a support role. The Federal Government should be responsible for ensuring national consistency; ensuring high quality standards; enforcement of minimum standards and ensuring sufficient funding is provided to ensure provision of early childhood education and care services. It is important that the Government does not leave provision to market forces, as this may lead to lower socio-economic communities missing out. The State Government should be responsible for analysing over and under supply. It is important that both levels of Government take responsibility for monitoring quality and the continuous improvement of early childhood education and care, while ensuring adequate funding that allows services to provide additional family support e.g. integrated service delivery.

The government needs to look at early childhood education and care with a focus on improving the lives of children and investing in the future of the Australia, rather than looking at education and care as a work force participation issue.

The following outcomes are desirable and achievable:

- The continued development of a professional early childhood education and care sector, with a highly skilled and professional workforce.
- Continued investment in access for all children.
- Pay equity and conditions for educators that match their level of responsibility and professionalism.
- Ensuring that ECEC becomes more affordable for families without compromising the quality of services.
- Ongoing support for services to achieve quality.
- Continued investment in building the professionalism of the sector.

- Ongoing promotion of the benefits of ECEC for children's lifelong learning and Government investment in academic studies to map the benefits for children.
- The development of a system of education from birth, where every child has affordable access to quality early childhood education and care, regardless of location, socio-economic status or employment status of parents.
- Every child should develop a love for life-long learning, respect for themselves and others, belong to a caring community and have the opportunity to be given the best start in life.
- Ongoing consistency in each State and territory, as compared to comparability.
- Improved educational outcomes for young children.
- Continued support for the implementation of the NQF.

#### **International models of ECEC**

There are a number of successful international models that could be adapted to work in the Australian context. However it is imperative that international models are not duplicated in Australia without taking into consideration our cultural and environmental context.

- Scandinavian countries have in place affordable and accessible services for all children.
- The Swedish ethos is a focus on lifelong learning from birth. Their Government has assigned a high priority to the goal of improving access and quality in early childhood education, in partnership with families, with the aim of strengthening the foundations of lifelong learning.
- In New Zealand the Government focus shifted from compliance and assessment and rating to quality through investing in ongoing educator and teacher qualifications and training.
- High Scope and Perry Pre-school (USA) – world renowned research provides evidence of the importance of early access to quality education and care programs to both educational outcomes for children and the economic benefits for the country.
- Flexible care models and studies that have taken place in Brazil, including a study that looked at outcomes for children where families were provided with education and care services on weekends that included parenting support sessions.

#### **Demand for and expectations of childcare and early learning services**

There is anecdotal evidence that there is difficulty in attracting at risk families to ECEC services due to limited knowledge and understanding of current funding options and the importance of early social interactions and learning. There is limited data to suggest that the most vulnerable families are accessing services any more than they have in the past. Barriers such as physical accessibility, cost and general uncertainty regarding how systems work and how support, as compared to judgement, may be of benefit to these most vulnerable families. Families of lower socio economic areas will use services where they feel safe and comfortable and where their needs are understood.

Economic changes such as an increase in two parent working families has seen a trend towards a high percentage of working families utilising the sector, rather than families assessing care for respite reasons.

Policy changes such as single parents entering the workforce by the time their child is 8 years of age, has seen an increase in the need for quality Outside School Hours Care Services. Other policy changes such as paid parental leave have seen a trend in children starting care at a later age. Flexible working arrangements have seen an increase in more part time and sessional care rather than full time enrolments.

In Outside School Hours Care there has been an increase in younger children accessing services. Older children, 10-12 year olds, often go home with no adult.

There is anecdotal evidence of families relying on grandparents which has significant issues for our aging population. Grandparents are also working longer and are restricted in how they can help families with informal care.

### **Children's development needs**

Evidence based research indicates the most crucial period of brain development is in the first 3 years of life. If Governments are committed to improved outcomes for children, education and supporting learning and development, then early childhood education and care must be part of the mainstream education system.

On a local level, teachers in the first years of formal schooling report the difference in social capabilities of children who have attended ECEC services. It is important to remember that the quality of these programs has an impact on children's learning and development and readiness for school.

Evidence would suggest that the impact of ECEC varies according to the quality of the program provided and the qualifications, experience and qualities of the educator and the ratio of adults to children.

Children tend to settle better the earlier that they are introduced to education and care settings. This is largely due to attachment and nurturing. Once a child reaches a certain age their ability to understand attachment from a primary care giver (parent) rather than an educator develops, causing them to become unsettled when they are not cared for by the primary care giver. Individual children have differing levels of ability to cope with time spent in ECEC services largely due to factors such as home environment.

There are some short term studies (e.g. Landry, 2005), that suggest engagement in programs, particularly for 3 – 5 year olds lead to more positive outcomes. At the basis of these outcomes are the interactions and relationships of the educator/ teacher and the child. Evidence confirms the more highly qualified the educator/ teacher, the better outcomes for children. Children are born wired to learn. They need an environment to support their learning and development. Outcomes for children are largely dependent upon the quality of the experience, including the educators attributes, knowledge and skills to support children's learning and development including a strength based approach.

It is important that children are able to have social interactions with other children and opportunities to learn through play. This is a life skill and has a

significant impact on the child's learning and development.

Extending the school day would have a detrimental impact on children's wellbeing. These increased hours in formal structured schooling would take away the opportunity to be a child and to participate in recreation and leisure experiences with siblings and peers.

Evidence suggests that "shorter bursts" of learning stimulates children's thinking and allows for greater concentration. Learning through play gives authentic experiences and promotes life skills that will extend children's learning as they grow and develop. Children must have a balance of structured and unstructured experiences. ECEC services actively program for the needs of the child including routine needs such as rest and quiet times.

Workforce participation can be supported through the availability of quality Outside School Hours Care programs that are seen as a valuable and essential by the school community. Children get tired and need to have "down" time in an environment such as Outside School Hours Care that caters for individual needs. There are also other factors to consider including the difficulty in attracting staff to work in OSHC for shorter opening hours if the school day was extended.

Universal Access (extending preschool/kindergarten from 10 to 15 hrs) is an example of an initiative that was implemented without any evidence to indicate that the additional hour's impact positively on children's learning.

In any decision children's needs and rights must be paramount as opposed to families workforce participation needs.

#### **Impacts on workforce participation**

Anecdotal evidence suggests that parents choose quality, accessibility and flexibility over affordability. Parents tend to choose to use a service based on 'how it feels' when they visit. They often do not ask how much it costs until after they have made the decision to choose the service.

Parents will choose a service based on location, word of mouth and the approachability of educators. Flexibility is a key factor for shift workers and parents who require frequent changes to care. Affordability of care is not typically the only deciding factor for a parent to return to work or remain at home to care for children.

It is important that the general public is educated on what constitutes quality and the effects (short and long term) of children being exposed to low quality services. Relationships are paramount and access to knowledgeable and skilled educators who work with children from a strength based approach, nurturing their learning and development is essential.

Anecdotally, many parents are prepared to enrol their child wherever there is a place available with operating hours that suit. Places in and around the

greater Hobart area, particularly for the under 2 cohort, are limited and families often look to secure a place, and then assess quality later. Parents are willing to accept lower quality care while on waiting list for a higher quality centre, as soon as a place becomes available they will move to a better service. Parents are often willing to make alternative arrangements to allow their child to attend a service of choice (eg grandma 7.00am to 7.30am when service opens).

Parents tend to ask about availability and whether their child will be safe and secure. Quality and educational outcomes may not be priorities. In areas of high demand there is often little choice and families will often take what care is available.

Anecdotally parents will choose care that is close to work to support journey to work issues and allow them to be more readily available if the child is unwell.

#### **Availability of childcare and early learning services**

The introduction of 15 hours of preschool has been an issue for Tasmanian services as this service is delivered in kindergartens (in formal Schooling) and has resulted in ECEC services having spaces available on the days that kinder operates (usually 2 ½ days per week) but full on non-kindergarten days. This is difficult for working parents as it is increasingly harder to access ECEC on the days that kinder does not operate. There are also significant issues when a School finishes their kindergarten hours at 12.30pm rather than the end of the School day as these children then have to access a centre based long day-care service. This creates issues with transport and available places at the ECEC service.

There appears to be a low demand for after core hour's care (before 7.30am and after 6:00pm) although this service is vital for some working families.

In Tasmania demand varies; it is higher in areas of positive employment levels, in other areas vacancies exist. Availability for infant (6 mth) to toddlers places has become an issue with long waitlists and families booking into care when first pregnant. The introduction of paid parental leave has resulted in a 'log jam' around one year of age. There has also been a shift in the focus of ECEC to becoming a service for younger children as many 3 and 4 year olds are being attracted to the private school early learning centres as they perceive these to be 'school'.

Anecdotal evidence suggests that parents rarely use the 'My Child' website, but use word of mouth and visits to determine quality instead. Word of mouth recommendations by other parents is the most successful tool for parents to identify a service.

Services have had to develop a more flexible approach to their sessions and service delivery. It is reported that services are moving children in Vacation Care and After School Care programs earlier to free space in the LDC service (e.g. 4 year olds).

Organisations are investing in high demand areas and are expanding existing services to provide additional spaces to meet demand.

There has been an increase in Schools seeking individual OSHC programs. This has further issues in regards to rent paid for services on School sites and the development of ongoing positive working relationships with Schools. Currently there are a large majority of OSHC services that are undervalued in their community and little recognition that this is the same cohort of children that actually attend the school and are part of the school community. Schools understand that having an OSHC program supports their enrolments, but there is very little support or acknowledgement of the value of service and the regulations the service must abide by.

It is important that there is a planned approach to the growth and development of services, rather than an overflow of services in one area and other areas with little access.

There are limited situations in Tasmania where services have arrangements with employers to offer employer sponsored places. The State service sector, e.g. police, nurses etc. could benefit from employer sponsored education and care places. There are some ECEC services that offer discounted places for the children of their educators to increase the educator's capacity to work and to reduce the cost of accessing care.

#### **Flexibility of childcare and early learning services**

There are pockets in the Hobart area where there is unmet demand for high quality services, especially for infant/toddler and younger children places. In some areas, services are operating at full utilisation which leaves little flexibility for access by vulnerable families unless they access a less desired service.

Shift workers are potentially the hardest hit in terms of unmet demand, but a thorough analysis would be required to determine their actual needs.

There are reported issues with services providing care for emergency-type situations, or unanticipated events requiring the involvement of large numbers of personnel. These situations are difficult to cater for when services are already full and regulatory requirements prevent exceeding the approved number of spaces for such situations.

Evidence suggests that families do not necessarily want or need 24 hour, 7 days per week, education and care.

The costs of operating an ECEC service restricts the amount of innovation and flexible care that can be offered. The industrial implications, operating costs increase, and the cost of upgrading facilities to accommodate extended hours care restricts this as a viable option for many services. It is reported that trials for flexible care options and overnight care were not successful due to low utilisation. Flexibility is available currently through the Family Day Care model. It is important to note that any finding that is provided for flexible models needs to be continued past the trial date, where success is achieved. Reviewing funding models after the establishment of services is problematic and has seen closures in some incidents eg. (Neighbourhood model review).

The centre based requirements of 48 weeks per year; 8 hours per day, stifle flexibility in rural and remote areas. For example in a rural centre there is no

current demand on Friday- yet the service must remain open to comply with CCB requirements. The community need a more flexible model but must have access to CCB/CCR to make that affordable. The provision of flexibility needs to be a two way partnership between providers and Government.

There needs to be additional funding available to deliver appropriate care for children with additional needs. The current Inclusion Support Subsidy is only a contribution to the base hourly rate. The current subsidy does not cover the additional employee's hourly rate or any associated on-costs. In addition, services generally are employing more than one additional worker to support the inclusion of children and for more hours than what is funded. There are also issues with the lack of ISS and Flexible support funding for children with no diagnosis who are experiencing high level behaviour issues.

It is difficult to attract qualified educators with specific knowledge of working with children with high ongoing needs, making the successful inclusion and participation of children a hard goal to consistently achieve. It is therefore difficult to provide a truly inclusive environment where children actively participate at their own level with the support and resources that they require.

The knowledge of educators working with children with additional needs is vital and skilled educators in this area are difficult to find. Whilst there are some good examples of inclusion of children, this is highly dependent on leadership and educator capacity. Services are experiencing an increase of support for children with complex needs but not necessarily a diagnoses, therefore cannot access additional support. Success relies on a highly skilled and knowledgeable workforce which is a major issue within the education and care sector. With a critical shortage of qualified, skilled and experienced educators, the ability to provide the most appropriate education and care for children with additional needs is problematic. The expectations of allied health support professionals are unrealistic and the additional support is insufficient to ensure children are included and that the program provided meets their identified needs.

The Government could improve services by increasing funding, improving training for educators, funding specialised equipment to a higher level or modifications to the environment to ensure accessibility and providing additional support for services.

Disadvantaged and vulnerable children often fall through the cracks- If they can't afford care or find a service where they feel valued and comfortable they do not attend. The cost of care can be a huge burden to families with low incomes. These children would benefit from accessing quality ECEC services to bridge the gap of social disadvantage.

Children who attend through the child protection system are often with the service for very short periods of time, however would benefit from ongoing education and care in a supportive environment. There are significant issues with the funding of ECEC for foster parents. It is important that these children have access to stable, supportive environments.

The Government should look at the possibility of increasing the scope of flexible support funding to enable short term contracts of funding to be provided to ECEC services for children who are displaying challenging behaviour due to neglect or abuse.

There is scope for providing flexible service models that meet the needs and context of the community such as e.g. seasonal workers; however these models would need to be adequately funded to ensure that they remained viable.

### **National Quality Framework**

The majority of services have been proactive, committed and have embraced the NQF as they recognise the importance of the Framework and increased ratios and qualification requirements.

There is concern from providers that they have not been offered support through the introduction of the NQF by the Regulatory Authority. Providers have a sense of vulnerability and uncertainty especially in regards to the consistency of the assessment and rating process. It is reported that there is a focus by assessors on compliance rather than quality. It is important that assessment and rating is consistent and that assessors are able to identify different ways of 'doing' and achieving quality outcomes.

The Government needs to fund further training and development on the NQF and its translation into practice for all services.

In Tasmania Kindergartens are not regulated under the NQF and therefore do not have to comply with its regulations or demonstrate quality through an assessment system. This has created a divide between the ECEC sector and schools and does not reflect the best outcomes for children. Often children will attend both settings and deserve to be able to access quality programs in either setting.

There has been a significant impact on services in regards to cost and regulatory burden with the introduction of the NQF. Where possible services have amalgamated to reduce administration burden and costs. This has led to reduced paper work, cost of having a service approved, issues with certified supervisors at multiple sites etc.

Within Tasmania the Regulatory Authority appears to be under resourced, this needs to be addressed to ensure fewer burdens for services, more timely responses and less frustration by approved providers.

There are reported issues with the time taken by the local regulatory authority to approve applications (including certified supervisor applications) or seek additional information. There is increased regulatory burden with reporting requirements such as notifiable incidents.

There are reports of inconsistency in regards to assessment and rating across the state and nationally. Interpretations seem to be based on the previous experience and the way of implementing previous laws. ACECQA could play a larger role in ensuring consistency and in taking action where inconsistency does occur.



### **Staff child ratios and qualification requirements**

The increased staff ratios and qualification requirements will have a beneficial impact on outcomes for children. Outcomes have been improved through increased supervision and one to one interactions.

There is a significant amount of evidence that suggests that the higher the qualification of the educator the higher quality program. With a better skilled workforce the capacity to deliver better outcomes is achieved.

There is an increased cost associated with improved ratios and qualifications but the cost is outweighed by the benefits for children.

The increased ratios and qualification levels have had an impact on operational costs and ultimately fees have increased to cover these costs.

The requirement to employ an ECT in Tasmania will have a significant cost impact on services. The introduction of a teachers wage and on costs will have a significant impact on the services operational costs. It will be difficult for services to meet the requirement in the future to employ two teachers and further work needs to be undertaken on the benefit of having more than one teacher present at the service. These people will also be hard to attract as services cannot offer the same employment conditions as Schools. Often teachers will take an early childhood job until a teaching job in a school is available. A transitional provision allowing for those who are actively studying and working toward an ECT qualification, while meeting a regulatory requirement, also means the role of the ECT is undermined and made less important when the evidence confirms the importance and additional skills and knowledge the ECT can bring to the service.

Although the requirement to have or be working towards a Certificate III is paramount, there needs to be a probation period before this is Law, this would aid in employing trainees as services are reluctant to undertake traineeships when an employee has just commenced.

### **Issues with the training and assessment of recognised qualifications**

There are critical workforce issues that are making it difficult for the sector to achieve desired outcomes. Educators entering the sector are often poorly trained and do not possess the necessary work skills. There are reports that RTO's are 'ticking and flicking' students to gain income without a great deal of effort or expenditure. The increase in distance and on line access for University Degrees further exacerbates the issue.

Qualifications are important, but the quality of the qualification delivery and assessment is paramount. Given the capacity of educators attracted to the sector, the cost for delivery of qualifications through an RTO has risen substantially, therefore the risk of inadequate support and mentoring arises.

Workforce issues, remuneration and the training agenda cannot be looked at in isolation.

It is vital that the sector can still access formal training not just assessment of competencies. Recognition of Prior learning is currently available and is

successful in limited circumstances. Evidence already confirms a highly qualified and skilled workforce means better outcomes for children in these most crucial early years. Minimising formal training and qualifications in any way, means the workforce continues to be unskilled with a lower qualifications than those required. Anecdotally, competency based training has not always provided skilled and knowledgeable staff members. Some aspects of training can be recognised and assessment through competency, however key foundation knowledge must be gained through formal training and not RPL or RCC. Training in groups which allows for discussion amongst peer professionals, debate and networking is successful. It is imperative that educators have theoretical knowledge and understanding of how children development and learn.

The review of the education and care qualification package has ensured that the content of the training is in line with the NQF. The issue is not with content but the delivery and assessment of the training. An increase in financial support is required to enable RTO's to deliver quality training.

A higher level of audit for RTO's to ensure ethical and transparent operations would minimise the likelihood of being able to obtain a qualification and seemingly not demonstrate the required skills and knowledge to work with children, and communicate effectively with others. Training providers who are supporting students to reach the basic level need to be closely monitored and quality ensured.

#### **Work force issues**

Current Government policies do not meet the holistic issues of the workforce. The workforce needs to be highly skilled, knowledgeable and have the capacity and capability of working with our most vulnerable people (children).

There is a need to ensure that the strategies are not just about subsidies for getting people qualified, as this has led to a quick fix, tick and flick approach and educators are completing qualifications but do not have the skills necessary to work at that qualification level. Specific State Funding e.g. Productivity Places, Skills Fund etc have been effective to provide training, but there needs to be a focus on quality rather than quantity.

The Early Years Quality Fund has proven to be a debacle that has achieved a disenfranchised sector and built the hopes of many that remuneration would be provided that acknowledged the importance of the work conducted in a child's early years of development.

Initiatives for reducing fees for Diploma and ECT have been welcomed and an increase in achieving formal qualifications has been seen. These programs need to continue long term to ensure the work force is highly qualified and skilled.

Providers are accessing informal training (e.g. Professional Support Coordinators) to address the gaps identified in their workforce, which should have been addressed within formal qualifications.

Services are introducing their own initiatives such as paying for all staff to complete formal training and incentives for existing staff to complete the ECET degree. This is at a significant cost to the organisation. Some services also pay above award wages for staff with higher qualifications to encourage further

study. Services report initiatives such as internal scholarship programs, interest free loans for accredited training, and a strong commitment to paid professional development, have all been effective in increasing the capacity of educators.

Within Tasmania it can be difficult to find qualified educators. There is a transient process where educators move around seeking the best deal (wages and conditions) and if they are pressured to perform they move to the next service as they know there is a critical skills shortage.

It is reported that it is difficult to find motivated people in rural and remote areas who are willing to undertake formal training. In these areas it can be difficult to provide mentorship and on the ground support to ensure educators remain motivated.

There are significant issues with the remuneration for educators. The current rate does not reflect the capacity or responsibilities of the role when compared to the School sector.

It is important that the Government is committed the continued professionalism of the sector and to promoting the sectors importance to the wider community. This can only happen when the Government truly appreciates and values the role of the ECET sector.

#### **My Child website**

The majority of services and families report that this website is not user friendly, is hard to navigate and gives a false impression of services based on their rating. There are a lot of issues with the assessment and rating system and parents should not be making an assumption about a service based on their rating.

The reporting of vacancies is seen as a waste of time and money.

There is a duplication of information for parents and services between the My Child and ACECQA website. Having two places for families to access information leads to a level of confusion and reinforces the regulatory burden upon the sector. Having an effective one-stop shop for all information could only be useful and decrease confusion about where to look for what information. An additional complexity is the role of the state/ territory regulatory authority and the differences in the information contained on their websites.

#### **Government support for childcare and early learning**

Government investment in early childhood education and care is imperative. Without financial assistance the cost of care would be too high and care would be inaccessible for the majority of families. The level of investment in young children is very low in Australia when compared to other developed Countries. The ECEC sector deserves the same investment as school education to support work force participation and the development of future generations.

### **Cost of care and funding models**

There are significant issues with the current funding model for ECEC. A review of the current funding systems is required to ensure equity for all. There is a need to develop a streamlined system where payments are made directly to services, not via parent payments, in a similar manner to the way in which schools are funded. This could see a higher level of access by our most vulnerable families as well as removing the cost differences for providers.

Under the current system middle income families are most disadvantaged and are struggling with the cost of care. The current economic climate and unemployment levels in Tasmania have had an impact on family's ability to pay for ECEC. Child care costs are often the last bill to be paid.

There is a significant issue with the Child Care Rebate being paid directly to families. Families often receive their CCR payment but do not pay their child care costs, leaving the service with large amounts of bad debt and the family being financially better off as there is currently no way of recouping this overpayment from families. There is evidence that parents are receiving the rebate even when they do not have responsibility for the children and are not paying the child care costs.

The rising cost of care has seen an increase in the use of informal care and families having a 'patchwork' of care arrangements. Families are reducing their booking at centre based care and using grandparents or extended family. This is inconsistent for the child and does not necessarily allow for best outcomes for the child.

Most providers in Tasmania have similar fee levels but value add services such as providing meals, nappies etc. can differ across services. The sector is market driven and the cost of care must be comparable. The sector is also very mindful of the needs of families and ensuring that costs are kept as affordable (and therefore accessible) as possible. This has an impact on operating costs and in some cases may impact on the quality of the service.

It is difficult to charge more for quality as parents often do not understand what quality looks like and will choose a cheaper option.

For any Government supported program (CCB/CCR) there must be analysis about the cost of provision with benchmarking. It is important services are able to have a profit margin and that this is used to improve quality and accessibility. It is also important for the Government to understand that quality costs money. The benefits for children in providing quality services far outweigh costs, but services must remain viable and sustainable.

Families especially Non English speaking families struggle to understand the childcare assistance system, including Child Care Benefit, Child Care Rebate and the Jobs, Education and Training fee relief, and the associated complexities within each component. . Although the process is clearly documented and may be readily available, most Parents do not understand what they must do to become eligible for CCB. There appears to be are too many agencies involved. It is currently very difficult for families to understand exactly how much government assistance they will receive and therefore how much money they will be out of pocket per day /week of care. It is however very important for the community that families understand this information so that they can make informed decisions regarding employment and educational options.

Anecdotal evidence suggests that fees have risen beyond the increased support level of CCB and CCR due to the increase in work force costs. There are other impact on the cost of employing staff that must be considered including increases in modern award rates, implantation of WHS requirements, superannuation cost, cost associated with compliance and the administration of the NQF and general operational costs such as water and power.

Restrictions that have been placed on the approval of special CCB have had a significant impact on vulnerable families and how much support that service can offer families. This funding is becoming increasingly more difficult to access.

The Inclusion Support Subsidy scheme is inefficient. The funding allocated does not cover the actual wage of the support person or any contribution to on-costs. Services who accept children requiring inclusion support are financially disadvantaged under the current model.

#### **Options for reform of childcare funding and support**

There are significant improvements that could be made to the funding and support model. It is important that the Government move the focus of ECEC from a work force participation issue into the education space. This will mean fair and equitable access for all families regardless of their work situation. Significant investment in the crucial early years and valuing the importance of young children and their development would see a reduction in preventative and incarceration programs for adults and disconnected youth.

When designing a new funding model the following considerations should be made:

- Ensure that it is a flexible model that is not based on hours of usage.
- There should be some recognition of high income earners and the 50% rebate not covering the family for the entire year.
- Financial support should be provided directly to services, not families.
- CCB and CCR should be combined into the one payment that is made directly to services to reduce the upfront fees for parents.
- Families that do not meet the Work, Training or Studying test should be able to access support greater than the current 24 hours of care. Such children should be able to access the same level of education and care as children of families who do meet the Work, Training or Studying test.
- It is important that families pay a contribution towards the cost of care. It should be a set small amount regardless of family income. If people get something for free they do not appreciate it.
- Eligibility limits need to be increased.
- Any system should be income tested, however it is important that mid – high income families are not disadvantaged any more than the current level of funding
- The cost of care should be tax deductible for families. Given there is still a significant amount of out-of-pocket expenses for families (after government assistance), this would further reduce the cost of care for working families. It would also provide an incentive for families to remain in their employment,
- Funding should be provided to ECEC services in a similar way to funding for schools.

- All families should have access to a certain amount of quality education and care at least two years prior to formal schooling.
- The system needs to be flexible and allow for extra support for families at risk and children with additional needs.
- Ensure that no one group are benefiting from the funding model eg. The current system tends to benefit lower income earners and disadvantage working families. It also currently disadvantages children from families that do not meet the Work, Training or Studying test.
- If funding support is to be extended to nannies or other forms of care, the same regulations need to apply. There is a general consensus that the government should not be supporting individual care arrangements for children that are not regulated.
- To encourage employer provided child care services the government should look at options for tax incentives for employers.