

Productivity Commission Inquiry into Childcare and Early Childhood Learning

**Submission from the Queensland Department
of Education, Training and Employment**

January 2014

Introduction

The Queensland Government's Department of Education, Training and Employment welcomes the Productivity Commission Inquiry into Childcare and Early Childhood Learning and the important questions raised in the Commission's December 2013 *Issues Paper*.

The focus of this submission is to provide information on Queensland's:

1. regulation of the early childhood education and care (ECEC) sector
2. investments made to date in ECEC
3. suggested areas for reform to reduce system complexity and improve conditions for businesses, and in turn, families.

As the Queensland Government is not a major provider of ECEC services, this submission does not directly address issues concerned with demand, cost and service availability.

Benefits of Early Childhood Education and Care

The Department of Education, Training and Education strongly supports the premise that higher quality ECEC will provide social and economic benefit through:

- increased workforce participation by enabling families to have greater confidence that their children are safe and receiving developmentally appropriate education and care
- greater productivity and reduced economic costs in the long term as evidence suggests that individuals receiving quality education and care early in life leads to better health, education and employment outcomes throughout life.

Future direction of early childhood in Queensland

The Department of Education, Training and Employment has commenced consultation and research into the development of an early childhood strategy.

The strategy will build on the gains already made in improved access and participation to kindergarten, implementation of the National Quality Framework for early childhood education and care (NQF) and greater integration of early childhood development services, and set the future direction for early childhood development in Queensland.

This strategy is due for release later in 2014, but preliminary findings from a forum attended by over 100 representatives from the sector and other government agencies strongly indicate there is support for an early childhood system that is diverse, holistic and integrated in its delivery, effectively regulated and focused on outcomes for children and their families.

This strategy will also support the implementation of the *Queensland Plan*, a 30-year vision for the future of the state. This Plan outlines a goal of education being valued as a lifelong experience so that all Queenslanders can achieve their full potential. A key measure identified by Queenslanders as achieving success under this vision is continuing the Australian and Queensland government partnership to realise increased participation in high quality kindergarten services in the year before formal schooling.

Regulation of Early Childhood Education and Care in Queensland

The Queensland Government regulates the ECEC sector through two pieces of legislation:

- the *Education and Care Services National Law* – a nationally applied law that underpins the NQF for the delivery of approximately 2,665¹ ECEC services typically known as long day care (LDC), kindergarten, family day care (FDC) and outside school hours care (OSHC) services.
- the *Queensland Education and Care Services Act 2013* – a state specific law that regulates all service types that are not in-scope of the National Law and were regulated prior to it commencing. This law replaces the former *Child Care Act 2002* and has been harmonised with the National Law.

The National Law (National Quality Framework)

The Queensland ECEC sector has undergone significant change in recent years with the introduction of the NQF for the delivery of ECEC services in 2012.

The NQF eliminated duplicative regulatory practices for the most prominent ECEC services across Australia by establishing a single, integrated national model that is applied by each state and territory government.

Given the scale of the change involved, particularly to staffing requirements, the NQF is being implemented in a staggered manner with key implementation dates occurring in 2014 (improved qualifications) and 2016 (improved educator-to-child ratios).

In most areas the Queensland ECEC sector was already operating at, or beyond, the new national minimum standards. However, some of the key changes relating to staffing requirements present challenges for Queensland services, including:

- New qualification requirements from 2014 where all:
 - LDC and kindergarten services need to engage an early childhood teacher
 - FDC educators need to hold, or be actively working towards, at least an approved Certificate III-level qualification.
- New educator-to-child ratio requirements for centre-based services:
 - From 2016, a movement from a minimum ratio of:
 - 1:6 for children aged 24 to 36 months to 1:5
 - 1:8 for children aged 30 to 36 months to 1:5
 - 1:12 for children aged 3 to 6 years (or until considered over preschool age²) to 1:11
 - 1:13 for children aged 4 to 6 years (or until considered over preschool age) to 1:11
 - 1:12 for children aged 4 years to over preschool age to 1:11.
 - From 2018, a movement from a ratio of 1:5 for children aged 15 to 24 months to 1:4.

Queensland monitors the sectors' preparedness for the improved staffing requirements of the National Law through:

- Mandated review processes embedded in the National Partnership Agreement for the National Quality Agenda that instigated the formation of the National Law (e.g. 2013 Workforce Review)

¹ Source: National Quality Agenda IT System as at 9 January 2014

² Over preschool age means a child enrolled or registered with a school and is attending, or will attend in the same calendar year, that school in the year before Grade 1 (this is called Prep in Queensland) or higher.

- An annual census survey undertaken by all service types in Queensland that informs program planning, development and reporting obligations under other related National Partnerships (e.g. universal access to kindergarten).

Another major feature of National Law is the introduction of a comprehensive national quality standard (NQS) that all ECEC services will be measured against. The NQS replaces the Australian Government's former quality assurance system, conducted by the National Childcare Accreditation Council, with a qualitative assessment system that promotes continuous quality improvement. As at 31 December 2013, 786 approved Queensland services (30 per cent) have been quality assessed and rated, which is in line with rate of progress nationally. The distribution of ratings in Queensland show:

- 1 approved service with an Excellent rating
- 299 approved services with a quality rating of Exceeding NQS
- 233 approved services with a quality rating of Meeting NQS
- 252 approved services with a quality rating of Working Towards NQS
- 1 approved service with a quality rating of Significant Improvement Required.

These results indicate that the majority of rated services (68 per cent) in Queensland are meeting or exceeding the standards set by the NQS. The current NQS is therefore achievable for the majority of ECEC providers, with providers who receive a 'Working Towards' rating successfully transitioning to the new and higher standards under the NQF.

Services out-of-scope of the NQF

The Queensland Government regulates several service types out-of-scope of the National Law. These services are split into those requiring service approval and those that are regulated, but do not require approval. These include:

- Services requiring approval – limited hours care services receiving Queensland Government funding, Australian Government budget based funded services not in receipt of the federal child care benefit (CCB), occasional care services, ECEC services that are also disability services under the *Disability Services Act 2006* (Qld). As at 9 January 2014, there are 66 of these services operating.
- Services regulated but not requiring approval – stand-alone services, which are services operating in a home or other venue for up to 6 children at one time with no more than 4 children not yet of school age. Due to the nature of this regulatory approach, the exact number of these services in operation is unknown.

Mobile services, babysitters, nannies and playgroups all remain unregulated in Queensland.

Investment in Early Childhood Education and Care in Queensland

The Queensland Government recognises the benefits quality ECEC can provide to the learning and development outcomes for children and has a long history in ensuring that all Queensland children have the opportunity to access safe and quality ECEC regardless of where they live, or the economic circumstances of their families.

Evaluations of well-conceived programs designed to foster early development demonstrate that children who participate in these programs tend to be more successful in school, are more competent socially and emotionally, and show better verbal, intellectual and physical development during early childhood than those children who are not enrolled in high quality programs.

With financial assistance from the Australian Government, Queensland has made considerable investment in programs that align with these objectives, particularly in the year before school. Some of the major areas of investment, and success, include:

1. Working towards achieving universal access to kindergarten
2. Supporting improved kindergarten access for children in remote communities or with diverse needs
3. Establishing integrated service delivery to improve early childhood development
4. Assisting the ECEC sector to meet national quality reform requirements.

1. Universal access to kindergarten

Together, the Australian and Queensland Governments have invested heavily in raising the participation and standards of kindergarten services, which in Queensland is provided to children in the year before formal schooling (e.g. children are 4 years old by 30 June in the year they attend a kindergarten program).

The primary vehicles for investment have been through two National Partnership Agreements with the Australian Government on:

- Early Childhood Education (NP ECE) – committing Queensland to achieving 95 per cent participation in an approved kindergarten program that is delivered by a qualified early childhood teacher over at least 15 hours per week over 40 weeks (or 600 hours over a year), by mid-2013
- Universal Access to Early Childhood Education (NP UAECE) – a new NP that will continue through to December 2014, building upon the objectives established in the NP ECE.

Under these two agreements, the Australian Government has substantially augmented Queensland's investment in the provision of kindergarten programs with up to an additional \$389 million over seven years from 2008-09.

Queensland's approach under the new NP UAECE continues with a range of key initiatives that have proven to be successful under the NP ECE. Key strategies for increasing kindergarten and participation in Queensland include:

- Creating additional kindergarten places and supporting quality kindergarten infrastructure
- Funding kindergarten program delivery
- Supporting access for vulnerable and disadvantaged children
- Supporting access for children living in rural and remote areas
- Enhancing quality standards of kindergarten programs

- Maintaining community and sector awareness and engagement
- Supporting and improving data collection.

To support increased participation in kindergarten, the Queensland Government has significantly increased the number of kindergarten places available (supply) while running state-wide and targeted communications strategies to increase community awareness of the benefits of kindergarten and to encourage parents to enrol their child/ren (demand).

Funding is distributed to providers of approved kindergarten programs through the Queensland Kindergarten Funding Scheme (QKFS) to offset the costs of implementing and operating a kindergarten program. Unlike most other states and territories, kindergarten programs in Queensland are available in LDC services as well in kindergarten services operated by community organisations or non-state schools.

More than 1,200 LDC services are now approved to deliver a kindergarten program, providing more choice for Queensland families and new opportunities for LDC services. Additionally, an extra 126 new or extended services have been established since 2010.

Queensland's approach has achieved strong results with participation rates increasing from 29% in 2008 to 77% in 2012.

Although significant gains have been made in raising participation rates for Aboriginal and Torres Strait Islander children in early childhood programs, they remain lower than participation rates for non-Indigenous children. For example, the proportion of Aboriginal and Torres Strait Islander children of kindergarten eligible age enrolled in an early childhood education program increased from 39% in 2010 to 66% in 2012.

Increased kindergarten participation in Queensland may also have contributed to the reduction in the proportion of children assessed as developmentally vulnerable on one or more domains of the Australian Early Development Index (AEDI) from 29.6% in 2009 to 26.2% in 2012.

Additionally, the investment in kindergarten has helped Queensland deliver on related national partnership commitments, particularly the achievement of NQF standards by directly assisting kindergartens and LDC services to engage a qualified early childhood teacher ahead of new legislative requirements commencing in 2014.

Overall, the gains made to date have been substantial and the expected benefits from this investment will continue to be realised incrementally over the years and decades to come.

While strong progress has been made to date however, continued shared responsibility between the Australian and Queensland Governments for funding kindergarten is critical for sustaining and further increasing participation rates, particularly for vulnerable children, and to maintain the level of quality that is now expected by families who value these services and the benefits they provide for their children.

2. Supporting improved kindergarten access for children in remote communities or with diverse needs

Ensuring children in disadvantaged communities or with diverse needs (i.e. Aboriginal and Torres Strait Islander children, children with a disability, children from non-English speaking families and children at risk) are provided opportunities to participate in a kindergarten program has been agreed as a shared priority of the Queensland and Australian Governments through the new NP UAECE.

In addition to the integrated service delivery models (see next section), the Queensland Government has introduced strategies, programs and innovative solutions to increase access and participation in kindergarten service vulnerable and disadvantaged children. Some of these targeted programs include:

- *eKindy*

To support flexibility in the delivery of ECEC services, the Queensland Government has introduced a distance education program called eKindy. EKindy provides children who cannot easily access centre-based kindergarten programs due to geographical isolation, illness or family lifestyle with access to teacher-planned and supported learning experiences.

In 2013, a total of 169 children were enrolled in eKindy, helping children in remote parts of Queensland gain access to a kindergarten program.

This flexible approach to the delivery of ECEC services presents a model that could also be trialled nationally.

- *Specialised Equipment and Resource program*

This program provides eligible kindergarten services with free, on-loan access to specialised equipment and professional resources to support children with disabilities to participate in kindergarten programs.

- *Disability Support Funding program*

The Disability Support Funding program is jointly funded by the Queensland and Australian Governments to provide between \$2,000 and \$6,000 per child with a suspected or diagnosed disability, to help them participate in an approved kindergarten program.

- *Pre-Kindergarten Grants Program*

The Pre-kindergarten Grants Program is aimed at building the capacity of existing early years and family-centred services to address challenges to kindergarten access and participation for Aboriginal and Torres Strait Islander children and children from culturally and linguistically diverse (CALD) families.

- *Embedding Aboriginal and Torres Strait Islander Perspectives in Early Child (EATSIPEC)*

EATSIPEC is a cultural competence support and guidance program to strengthen the capacity of kindergarten providers to effectively engage with Aboriginal and Torres Strait Islander families and deliver inclusive early childhood education programs to meet the learning needs of Aboriginal and Torres Strait Islander children.

- *Supporting diversity in Kindy*

This is funding that supports activities that assist cultural inclusion and promote collaborative partnerships with local culturally and linguistically diverse families and communities.

3. Integrated service delivery to improve early childhood development

Adopting an integrated approach to service delivery makes it easier for vulnerable families to access services that relate to their children's developmental needs, rather than having to navigate a sometimes complex system of available services in their community.

The aim of an integrated approach is to enable families to access multiple services in relation to ECEC, family support and health for their children and themselves. Access to high quality ECEC services can assist in the early identification of health related issues, particularly for vulnerable children and families who may not be well connected with their local primary health care provider.

The types of integrated models currently provided by the Queensland Government that offer ECEC services are:

- *Children and Family Centres (CFCs)*

With the funding assistance of the Australian Government, the Department of Education, Training and Employment has established 10 CFCs. This funding was made available through the National Partnership Agreement on Indigenous Early Childhood Development (NP IECD), which expires on 30 June 2014.

Strong progress has been made in Queensland in delivering CFCs and providing integrated early years services to Aboriginal and Torres Strait Islander families with children from birth to eight years of age, including integrated ECEC, family support and child and maternal health services.

The CFCs were established in locations with high Aboriginal and Torres Strait Islander populations and low participation in ECEC and in some priority locations determined by the Australian Government (e.g. Remote Service Delivery communities of Doomadgee and Mornington Island). However, services are able to be accessed by all families in these communities. Eight of the CFCs are based in regional and remote Queensland.

With permanent facilities completed in nine of the 10 Queensland locations and construction on the remaining facility in Mackay close to completion, the CFCs are achieving good progress in each of their communities. Lead agency service providers in all locations continue to work closely with communities in the development and delivery of services.

Only three CFCs include a LDC service as part of their facility – Mornington Island, Mount Isa and Mackay. Given this, the CFC service and funding model allows for brokerage to secure places at ECEC services, as well as provision of, or access to, child and maternal health services and other wrap around family support to assist transition to formal settings.

CFCs also provide support for families to register for, and access, the Australian Government's CCB. Despite this assistance, access to the CCB continues to be a challenge for families in remote communities requiring continued action to address this issue.

- *Early Years Centres (EYCs)*

Funding is provided by the Queensland Government for non-government organisations to operate EYCs that provide a range of integrated universal ECEC, health and family support services in 15 communities. The target cohort for EYC services are families who are expecting a child or have children up to and including eight years of age.

The EYC model is not simply the co-location of services, but a multidisciplinary team approach focused on coordinating the provision of a holistic early childhood development service.

EYCs operate through service partnerships between educators, family support workers and child health nurses to deliver culturally relevant, universal and targeted services.

Incorporating ECEC services with activities that encourage community and parental support (i.e. exercise classes, cooking classes) creates a communal space that helps to increase children's access and participation in kindergarten programs.

The model is flexible to enable providers to tailor services to meet local needs, culture and the community while also ensuring a level of consistency across all four EYCs.

The Department of Education, Training and Employment conducted a two year evaluation of the EYC initiative which informed the development of an integrated service delivery framework. The evaluation found evidence that developmental, social and behavioural outcomes for children who attended EYCs have been improved, parenting skills and families have been strengthened, and outcomes for vulnerable families enhanced.

- *Child and Family Hubs (Hubs)*

Hubs were first established by the Queensland Government in 1999 to encourage flexibility and greater responsiveness in early childhood and family service provision, with 25 Hubs now located across Queensland.

Hubs are multi-functional and highly flexible providing integrated services for families with young children from birth to eight years of age. Hubs provide an entry point to allow for the provision of wrap-around family support services for parents and families.

While the type of services will differ depending on the needs of the community, the combination of services provided by a Hub may include parenting education, links to or delivery of ECEC, family support, child health services, information and referral services, and pre or post natal health care. All services focus on delivering evidence-based programs that promote the safety and well-being of children.

- *Aboriginal and Torres Strait Islander Funding program*

The Aboriginal and Torres Strait Islander Funding program was established to provide operational funding to promote and support the well-being of Aboriginal and Torres Strait Islander children within their extended family and cultural community by developing quality ECEC services through community participation and decision-making.

ECEC and support services funded under the program are operated through 31 Indigenous community organisations in communities in North Queensland and Far North Queensland. They include:

- LDC and OSHC services – a total of seven of these types of services that have a capacity of 308 places and are able to cater for children from birth to school age. Information provided through site visits indicates that most of these funded services are highly utilised and are at maximum capacity in most communities.
- Child and Family Support services (CAFS) – a total of six services are funded to engage in family support activities aiming to improve the well-being and resilience of children and families. CAFS services support families with children perceived to be at risk, and may be co-located with an ECEC service or Hubs.
- Structured playgroups – there are five services that provide family support and structured play activities for children and families. They operate predominantly in very remote Aboriginal and Torres Strait Islander communities. These playgroups offer holistic parenting support including culturally supportive behaviour management, nutrition programs, and advocacy and referral pathways for children with developmental concerns. One service in Kowanyama supports an average of up to 91 clients per quarter, based on data from July 2012 – December 2012.

4. Assisting the sector to meet national quality reform requirements

As well as investing in programs that encourage and support access in ECEC programs, the Queensland Government has provided assistance to the sector to prepare for improved qualification requirements under the NQF.

This assistance is outlined in the Department of Education, Training and Employment's *ECEC Workforce Action Plan 2011-2014*, which brings together a range of initiatives that aim to increase the number of qualified educators, particularly early childhood teachers. Some of initiatives under the Action Plan include:

- Early Childhood Teacher Scholarships – up to \$3.7 million to help diploma and three-year university qualified educators upgrade to a four-year teaching qualification. As at 31 October 2013, 353 scholarships had been approved with 62 recipients having completed their studies, 123 still studying and 168 either not commencing or withdrawing from study.

- Kindergarten Rural and Remote Teacher Incentive Scheme – up to \$1.2 million to enhance the attraction and retention of early childhood teachers to services in rural and remote locations. To date, 29 services have been approved to engage teachers accessing incentive funding, but only 12 have been able to attract a teacher.
- Family Day Care Training Strategy – over \$400,000 to support existing FDC educators to gain an approved certificate III-level qualification. As at 30 September 2013, under this program 275 educators were still studying and 31 had already been awarded a qualification.
- Teacher Bridging Program – to assist Queensland registered primary teachers to upgrade their qualifications to become recognised early childhood teachers. To date, 247 primary teachers are now recognised as early childhood teachers.
- Indigenous Remote Area Strategy – at least \$1.4 million to deliver certificate, diploma and advanced diploma qualification training in a targeted and culturally appropriate manner to existing and prospective educators in the Cape, Gulf and Torres Strait Islands, and other remote locations. Between June 2010 and September 2013, this strategy has seen 270 educators in remote Indigenous services enrolled in an approved Certificate III, Diploma and Advanced Diploma qualification, with 67 of these completing their studies.

As a result of this investment, early evidence obtained from the Queensland ECEC Services Census shows that between 2011 and 2013:

- The number of educators in centre-based services holding a relevant qualification (Certificate III or higher) rose from 20,062 (2011) to 21,247 (2013), an increase of 1,185 or 6%. With the educator cohort expanding during this period, the proportion of educators holding a relevant qualification remained almost constant – 81% in 2011 and 79% in 2013.
- The number of educators in centre-based services holding a Certificate III level qualification decreased by 8.3%, but the number holding a diploma level or higher qualification increased by 19.6%. Further analysis is required, but this variance is believed to be largely due to upskilling of existing educators holding a Certificate III. This is supported by findings indicating that 44.1% of educators holding a Certificate III are studying towards a diploma-level qualification or higher in 2013.
- The number of unqualified educators studying towards a Certificate III qualification remained fairly stable (2,635 in 2011, 2,554 in 2013), while the number studying towards a diploma level qualification or higher increased by 99% (from 340 in 2011 to 678 in 2013).
- Centre-based staff holding an early childhood teaching qualification increased from 2,294 (2011) to 2,978 (2013)
- FDC educators holding a relevant qualification (Certificate III level or above) increased from 1,416 (2011) to 2,209 (2013).

Further work is still needed to enable rural and remote services to attract, retain and upskill their workforce to meet qualification and staffing requirements. Recruiting qualified staff in rural and remote areas is a challenging issue, which is not just confined to the ECEC sector, therefore continued support for upskilling of staff currently working in the sector is particularly important to help ECEC providers to meet qualification requirements under the NQF.

Along with yet to be released findings from the 2013 Workforce Review, a review of the ECEC Workforce Action Plan in mid-2014 will inform the Queensland Government on the type of further support that may be required for the sector.

In the interim, ECEC providers who are unable to meet NQF qualification requirements may apply for a waiver to allow additional time for the service to address this issue. As at 9 January 2014, 5.2% (138) of all Queensland approved education and care services had a staffing waiver in place, with

the majority (94%) being for an early childhood teacher. A breakdown of waivers issued by service remoteness is as follows:

- 54 of 1635 services in major cities have a staffing waiver (52 are for early childhood teachers)
- 30 of 507 services in inner regional centres have a staffing waiver (29 are for early childhood teachers)
- 40 of 416 services in outer regional centres have a staffing waiver (35 are for early childhood teachers)
- 5 of 46 services in remote services have a staffing waiver (4 are for early childhood teachers)
- 9 of 61 services in very remote centres have a staffing waiver (all are for early childhood teachers).

Potential areas for reform:

The following two areas for potential reform may benefit from further examination by the Productivity Commission:

1. Simplifying investment

Funding certainty for the early years is an extremely important issue. The return on investment impact of early years programs and services is seen across many different government portfolios, particularly for vulnerable and disadvantaged children.

In alignment with state and federal aims to reduce red tape and remove administrative burden, simpler funding arrangements for early childhood between the Australian Government and states and territories are necessary.

The Queensland Commission of Audit highlighted the high number and complexity of national partnerships that exist between the Australian Government and states and territories. The ECEC sector is no exception, with a specific purpose funding agreement for implementation of the AEDI and the following four National Partnership Agreements:

- National Partnership Agreement on Universal Access to Early Childhood Education (funding expires end 2014)
- National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care (expires June 2014)
- National Partnership Agreement on Indigenous Early Childhood Development – Children and Family Centres (expires June 2014)
- National Partnership Agreement on TAFE Fee Waivers for Childcare Qualifications (expires December 2014).

Queensland has made significant gains in delivering on the goals of all of the above four agreements, but there is no certainty about ongoing funding at this stage. Commitment to such agreements raises service delivery expectations and concerns in the sector and community.

As stated previously, a particular concern is the future of kindergarten funding as without long term funding support from the Australian Government, significant gains made in Queensland, and nationally, could diminish.

In addition, without ongoing operational funding from the Australian Government, the provision of integrated services through CFCs will be jeopardised. A reduction in the number of CFCs or in their service delivery will significantly impact Aboriginal and Torres Strait Islander families in rural and remote communities who rely on the services and would be counterproductive to the work undertaken by the Australian and Queensland Government to close the gap in indigenous disadvantage.

It should also be noted that any expectation that CFCs could only rely on the CCB and child care rebate (CCR) does not factor in the costs of delivering an integrated early childhood development service. Further, this does not account for the agreed approach to date, under the NP IECD, of delivering integrated early childhood education and care services through the CFC.

There is a clear need for sustainable funding arrangements in the early years, given the known long-term benefits for health and wellbeing, as well as the broader economy. The Queensland Government believes the best mechanism for ensuring sustained progress in the early years is to amalgamate the early childhood National Partnership Agreements into a single National Agreement, with an associated Specific Purpose Payment.

This would provide funding certainty for governments, the sector and families, cut red tape, rest policy decision-making with states and territories, and also assist with a move towards the provision of greater integrated service delivery for early childhood and related sectors, especially in smaller communities.

Lastly, while there is clear scope for improvement in how government investment is directed, it is important to note that the current service delivery profile in Queensland largely reflects historical joint priorities of the Australian and Queensland Governments. Any recommendations that see the reduction or shift of Australian Government funding that alter this service profile will need to be reviewed by the Queensland Government in light of competing state priorities.

2. Simplifying regulation

The National Law represents the combining, and improvement upon, eight former regulatory regimes into one new system. This is a significant change, and for this reason; refinement of the system is expected, as evidenced by the review processes embedded within National Partnership for the National Quality Agenda.

The Queensland Government is strongly committed to reducing red tape and regulation to deliver savings to business and the community.

As outlined in the recent public communiqué from the Standing Council on School Education and Early Childhood meeting of 29 November 2013, all jurisdictions have agreed to progress a range of regulatory amendments that will improve the operation of the NQF.

All jurisdictions are continuing to discuss further improvements to the NQF, with a particular focus on amendments that may alleviate workforce pressure. For example, under its former education and care services legislation, Queensland ECEC providers were permitted to trial new employees before they or the employee, committed to investing in their skills development. This is a concept that previously worked well in Queensland and may be useful again at the national level in some form.

Additionally, the majority of the early childhood sector comprises providers that are small business operators (83% of all ECEC providers are one service operators³). However, unlike other small business sectors, ECEC providers currently have to navigate an operating environment that in its simplest form consists of a state regulator, a national regulator and a federal funding system, which places many additional, intersecting requirements that rely on state regulation.

Any recommendations for additional streamlining of existing regulatory requirements, or how these requirements could be monitored and enforced more efficiently, would be welcomed.

When considering any recommendations, it is important to note that the NQF has only been in operation for two years, with many of the significant benefits that quality ECEC provides to children yet to be realised. For example, in addition to the short-term economic gains ECEC can provide in the form of enabling increased workforce participation, there is considerable international and national evidence that demonstrates that quality education and care early in life leads to better health, education and employment outcomes in later life, emphasising the importance of

³ ACECQA, Snapshot Q3 2013, http://files.acecqa.gov.au/files/Reports/0910_ACECQA_Snapshot_Q3_final.pdf

mandating a quality framework that encourages the sector to strive for continuous improvement in practices.

It is also important to note that due to the magnitude of change the NQF has brought to the ECEC sector, and the relative infancy of the NQF, many providers are suffering from change fatigue.

Simplifying the assessment and rating process

Following the release of a report on sector perceptions of regulatory burden associated with the NQF in December 2013, the Australian Children's Education and Care Quality Authority (ACECQA) has commenced a review of the NQS.

The objective of the project is to simplify the assessment and rating process to reduce regulatory burden and potentially increase progress (currently only 30% of all services have been rated) so families can be provided with assurance that their children are receiving quality care and learning and developmental opportunities in a reasonable timeframe. Achieving this goal may also be a contributing factor that helps to increase women's participation in the workforce.

This project will inform a review of the entire NQF being conducted in 2014, which will likely have a focus of simplifying the NQS while maintaining its intended quality improvement benefits for children and recommend strategies to achieve this objective. A key part of this project is analysing quality rating data to identify how each element and standard within the NQS is contributing to the quality area and overall rating results.

There are also concerns that as assessment and ratings are being conducted by the Regulatory Authority in each state and territory, there are potential inconsistencies in how the NQS is applied across ECEC services.

Any recommendations from the Productivity Commission that may complement this work or further improve efficiencies for business and government would be welcome.

Policy and regulation disconnect

In addition, while a partnership approach to investment in ECEC has reaped significant benefits there can be a disconnect between funding policy and regulatory approaches due to the fragmentation in responsibilities, thus creating further complexity in the system.

An example of this policy and regulatory misalignment is seen within the FDC sub-sector. An Australian Government program was developed to provide establishment grants for new FDC services with the objective of increasing access to ECEC programs for families. This program has resulted in significant growth in the number of FDC services, but it is unclear whether this process has resulted in a commensurate increase of children receiving education and care. Rather, evidence suggests that existing FDC educators created their own FDC service with existing children. While this result is not necessarily a poor outcome, the investment arguably did not meet its policy objective and has had the flow on effect of substantially increasing regulatory costs for the state-based Regulatory Authorities.

Other

In addition to the specific areas already raised, the Department of Education, Training and Employment supports the Productivity Commission examining the risks and benefits of more innovative regulatory and investment approaches to the ECEC sector.

However, any recommendations suggesting significantly different approaches would need to be considered thoroughly by the Queensland Government.