

NSW Children's Services Forum

Submission to the Productivity Commission's study of Australia's Early Childhood Development (ECD) workforce.

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NSW Children's Services Forum
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1. Introduction

The NSW Children's Services Forum welcomes the opportunity to provide this submission to the Productivity Commission in response to the issues paper on the Early Childhood Development Workforce.

The NSW Children's Services Forum is comprised of state-wide, not-for-profit community based children's service organisations. The Forum aims to:

- promote the role of not for profit children's services;
- advise governments on the quality, range and provision of children's services in NSW;
- advocate for policies to improve the quality range and provision of children's services in NSW; and
- engage in regular dialogue with other stakeholders in children's services.

Current members are:

- Australian Community Children's Services (NSW Branch)
- Early Childhood Australia (NSW)
- Community Child Care Cooperative Ltd
- Contact Inc
- Community Connections Solutions Australia
- Council of Social Service of NSW (NCOSS)
- Ethnic Child Care, Family & Community Services Co-operative Ltd
- KU Children's Services
- Lady Gowrie Child Centre
- Local Government & Shires Association Children's Services
- Mobile Children's Services Association Inc
- Montesorri Australia Foundation
- Network of Community Activities
- NSW Family Day Care Association
- Occasional Child Care Association
- Playgroup NSW Inc
- SDN Children's Services
- UnitingCare Children, Young People and Families

This submission focuses on the issues relating to the early childhood education and care services. It represents the consensus opinion of the members of the NSW Children's Services Forum in response to the issues paper released by the Productivity Commission. As a result it does not cover all aspects presented in the issues paper.

2. Early childhood education and care workforce

List of formal childcare settings.

The list of early education and care settings in the Issues paper is not considered to be comprehensive by the NSW Children's Services Forum. Such a list should include early intervention services, preschools, long day care, out-of-hours school

care, home-based care, mobile services, Multifunctional Aboriginal Children's Services, family day care, occasional care and supported playgroups.

The NSW Children's Services Forum believes the distinction between 'childcare' and 'preschool' is not reflective of the reality of the workforce in NSW. The workforce crosses these service types and requires the same skills and knowledge. This is due to the long-standing regulatory requirement in NSW for an early childhood teacher in children's services settings of greater than twenty-nine licensed places.

Roles and responsibilities of childcare and preschool workers

In NSW the titles for most roles and responsibilities in early childhood education and care services, such as preschool and long day care services, are very similar. It should be noted that both not-for-profit community-based preschools, long day care centres and other early childhood services have a volunteer management committee or board with governance responsibilities. Some are auspiced by larger not-for-profit organisations.

The terminology used to describe the positions in NSW early childhood education and care services comes from the NSW industrial award system where there were separate awards for:

- early childhood teachers and directors who have university degree qualifications in early childhood teaching and education;
- other primary contact staff with vocational qualifications (such as the Diploma of Community Services Children's Services);
- unqualified staff and support staff such as cooks and cleaners; and
- administration staff.

The key roles in preschool and long day care services can be defined as:

- **Director:** refers to the manager of the service who is the authorised supervisor responsible for fulfilling the requirements of the licence. The Director usually holds an early childhood degree qualification such as the three year Bachelor of Teaching (Early Childhood) or the four year Bachelor of Education (Early Childhood). In regional and rural areas it can be difficult to attract degree qualified staff. The Director may hold the two-year Diploma in Children's Services. It should be noted that generally only larger services can afford to create a non-teaching director position. In smaller 1 and 2 unit services, directors will usually have face-to-face teaching responsibilities (for some of the week) in addition to responsibility for the day-to-day management of the service.
- **Co-ordinator Qualified** (in some small services with no director): refers to the manager of the service who holds a vocational qualification such as the Diploma of Community Services (Children's Services) – co-ordinators will generally only be found in smaller services such as one unit services where an early childhood teaching degree has not been required to meet the regulations. It is arguable that the Co-ordinator role may become less common as the new requirements for degree qualified teachers to be deliver preschool programs is implemented.

- Early Childhood Teachers: hold a three-year Bachelor of Teaching (Early Childhood) or the four-year Bachelor of Education (Early Childhood) and are responsible for the development and delivery of an educational based program for a group/room of children.
- Advanced Child Care Workers Qualified: hold the Diploma of Community Services (Children's Services) and are responsible for the development and delivery of the program for a group/room of children.
- Advanced Child Care Workers Unqualified: the transition is underway to require all Child Care Workers to hold the entry-level Certificate III in Children's Services.
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- Other ancillary workers:
 - Administration officers or clerical assistants in early childhood services generally work part-time and provide support in processing fees, bookkeeping and a range of other administrative duties;
 - Cooks are mainly employed in long day care centres – however, some long day care centres don't offer cooked meals;
 - Cleaners and gardeners; and
 - Bus drivers are employed in some services, particularly Aboriginal specific services where transport is a key factor in accessing the service.

It should be noted that significant change is taking place as the sector moves to the Modern Award system which uses different terminology to the NSW awards for pay and classifications.

Many services employ 'additional needs teachers' and/or 'additional needs support workers'. These positions are employed under the same award system and pay scales as either teachers or child care workers but holders are required to possess different skills and qualifications.

3. Institutional arrangements and COAG reforms

Impact of the roles and policies of different tiers of governments on the planning and provision of the ECD workforce.

The distinct funding programs of the NSW Government and Australian Governments has had a significant impact on the provision of early childhood education and care services in NSW. The NSW Government provides direct funding to long day care, preschool, occasional care and vacation care services. The Australian Government provides fee subsidies through the Childcare Benefit and Child Care Rebate for attendance at nationally accredited services for eligible families. 'Preschools' are not accredited and therefore families whose children attend preschools can not receive the Child Care Benefit and Child Care Rebate.

Further, the NSW Government funds and provides preschool programs in 100 Government primary schools. These preschools have low fees (\$5 to \$10 per day) which offer a more affordable and thus more attractive option than other closely located children's services. The NSW Government is also able to provide higher salaries and career paths for preschool teachers unavailable in the outside the Government employment.

These differences have increased the difficulty in planning for the early childhood education and care sector. However, as the move to a national regulatory framework is implemented these difficulties may decline.

Access to capital limits growth in the not-for-profit sector. The funding systems of either direct funding or family subsidies means that there is little government support for capital expansion of children's services. Not-for-profit services have historically not accessed borrowing for capital and are arguably not in a position to do so. Limited capital leads to slower expansion of the industry and hence lower demand in the workforce.

Effective policies and programs that could be usefully transferred and applied in other areas of Australia

The NSW Children's Services Forum notes that NSW has a higher requirement for early childhood university qualified teachers for early childhood services within the NSW Children's Services Regulation that is required in the new national legislation and the National Quality Standards. Under the NSW Regulation:

- one teaching staff member is required if there are between 30 and 39 children;
- two teaching staff members if there are between 40 and 59 children;
- three if there are 60 and 79 children; and
- four teaching staff members if there are 80 or more children.

A "teaching staff member" is defined as "a member of staff who has a degree or diploma in early childhood education from a university following a course with a duration (on a full-time basis) of not less than 3 years."

The Forum supports the retention of this higher teacher to child ratio in NSW while also applauding the requirement for four year trained teachers providing preschool programs under the "universal access" to preschool commitment.

4. Demand for ECD workers

The child development reasons families choose to use, or not use, different ECEC services

The NSW Children's Services Forum believes that people make decisions regarding use of early childhood education and care services for a variety of reasons. Some are related to a child's development but some are not. Reasons include:

- workforce participation of the parents;
- a child's peer relationships;
- a child's social development;

- transition to school;
- location/accessibility of services;
- respite and support for parents of children with additional needs;
- lack of extended families to offer care; and
- to establish relationships in the local community.

Female labour force participation and the demand for early childhood education and care services.

The NSW Children's Services Forum notes that the mothers of young children are increasing their labour force participation rates. This is highly likely to increase the demand for early childhood education and care services.

This increased demand may be mitigated slightly by the recent introduction of eighteen weeks paid parental leave by the Australian Government on 1 January 2011. Some families, who may otherwise have been forced to return to work for financial reasons, may find their financial situation sufficient to take the eighteen weeks leave thus reducing demand for early childhood education and care in the first months of the child's life.

The impact of relative cost of early childhood education and care services on demand.

Out-of-pocket fees are a significant factor in determining the demand for services for many parents. Overall the elasticity of demand for early childhood education and care services may be low; however, the NSW Children's Services Forum believes that for low to moderate income groups affordability is critical. This has been shown through the NSW Preschool Investment and Reform Program (PIRP). The lack of government support for parents in preschools in NSW made fees the highest in Australia. However, with additional funding under the PIRP, some preschools were able to reduce their daily fees leading to increased enrolments. These are services where the Child Care Benefit and Rebate are not available.

Costs for low to moderate income families clearly affect demand for services. These families are forced to reduce hours and juggle formal care with informal care. The increased part-time and irregular patterns of attendance adversely affect relationships in the service as well as the workload of staff.

Qualification standards, staffing levels, and the implied mix of skills and knowledge will improve desired outcomes for children

There is extensive research to support the proposition that appropriately qualified staff and the child: staff ratios will result in better outcomes for children in terms of quality early childhood education and care (e.g. see OECD 2001 *Starting Strong: Early Childhood Education and Care*, OECD, Paris). Qualified staff are able to deliver higher quality and effective programs for young children thus supporting and extending children's education and development

The NSW Children's Services Forum believes that the increase in qualification requirements is an opportunity for the status of the Early Childhood profession to be raised.

Effect of the new standards and targets on demand for Early Childhood Development workers and options are available for funding the increased wages and salaries of more highly qualified ECD workers

An increase in qualification requirements for employment is likely to increase the cost of early childhood education and care services because qualified staff are paid higher salaries than unqualified staff. Unfortunately, any increase in cost passed on to parents is likely to impact most on low income families. Despite this the NSW Children's Services Forum supports the new requirements for qualified staff because the benefits to children in early education and care services will be substantial.

To prevent a decrease in demand among low to middle income families there needs to be an increase in the child care benefit and rebate as well as an increase in state government funding. In particular, governments need to contribute more to teacher salaries so as to avoid passing costs onto families through increase in fees.

Affect of increased fertility rates, changing family structures, the introduction of paid parental leave and other demographic, social and policy factors on the demand for ECD services and ECD workers.

The increase in the fertility rate in the decade from 2001 has increased demand for early childhood education and care services. It remains to be seen whether this will be sustained as there was a slight decline in the fertility rate from 2008 to 2009 (the latest figure available - Australian Bureau of Statistics 2010 *Births, Australia, 200*, ABS, Canberra).

The NSW Children's Services Forum does not believe that the ageing of the population is likely to significantly reduce demand for formal care services. Most grandparents only provide care one or two days a week. Many are dealing with chronic health conditions or are still employed and not in a position to provide care. Others may be also providing care for their spouse or other aged relatives

The introduction of paid parental leave is most likely to reduce demand for early education and care services particularly in the younger age groups. However, the impact will be felt differently by early education and care services in different parts of NSW reflecting family circumstances such as income levels, family support and workplace flexibility.

5. Supply of ECD workers

Difficulties finding staff

Many early education and care services report difficulties in finding suitably qualified staff in NSW. In particular, early childhood university qualified teachers are very difficult to find or retain despite the number of new graduates each year.

Disadvantaged areas as well as rural and regional locations have even greater challenges in attracting qualified staff. Recruitment costs can be higher in these areas because of repeated costs of advertising.

Effect of low wages or wage differentials and other factors in attracting and retaining staff

Low wages, working hours and conditions are all important factors faced by the early education and care sector in attracting and retaining staff, particularly qualified staff.

Many early childhood university courses are now designed for teaching in both early childhood settings and primary schools. Early childhood teachers can attain higher wages, better conditions and more holidays and status working in the lower primary school. Early education and care staff may work ten hour shifts. Few have sufficient time off the floor for developing pedagogical documentation and planning. The better wages and conditions for primary school teachers attract these graduates either immediately on graduation or after a short period in the early education and care sector.

The status of the early childhood teaching profession is seen to be very low, perhaps because there is a lack of understanding regarding the importance of the early years. There is also a lack of a career path for early childhood teachers in early education and care.

The shortage of qualified staff will continue unless attention and change occurs in the areas of remuneration and conditions. In the case of early childhood teachers there needs to be parity with teachers working in schools. Child Care workers should be paid so they can afford to use a children's service for their own child. This is not the case for many staff.

Improving staff retention

Improved wages and conditions are clearly important in retaining staff in the early education and care sector. However, other factors are not so evident. While attracting and retaining qualified staff is discussed constantly the evidence for particular strategies are anecdotal. A study should be undertaken to look at job satisfaction and turnover so there is an informed research basis for decisions.

The following are proposed by the NSW Children's Services Forum as factors that may improve staff retention:

- pay parity with school teachers;
- family-friendly practices;
- well documented support structures including regular supervision;
- working for an ethical organisation with stated values;
- having a career path; and
- learning and professional development opportunities.

Family-friendly practices, including part-time work, may assist in attracting and retaining staff. However, this needs to be balanced against the need of children for consistency in the primary carer, particularly for babies and toddlers.

Key factors influencing an individual's decision to work in the early education and care sector

The NSW Children's Services Forum suggests the following are positive factors attracting people to the early education and care sector:

- an understanding and valuing of the importance of the early years for learning and development;
- the environment of learning;
- a genuine interest in people and wanting to support families;
- creative opportunities;
- the availability of part-time work (for some people);
- an enjoyment and love of children; and
- a desire to make a difference in children's lives.

On the other hand the low wages, poor working conditions and the lack of job security (casual employment or short term funding contracts) are driving people away from the sector.

Reasons for lower pay in the early education and care sector compared to other sectors.

Early education and care staff are paid under different industrial awards to teachers and different awards depending on qualifications and role. The different awards are an historical legacy reflecting union coverage and qualification requirements.

The qualification requirements, in particular, have changed over time and soon teachers will be required to have the same level of qualification (4 year degree) as school teachers. Despite this the award pay scales remain lower than that of school teachers.

There are a number of factors which have limited the ability of employees to seek improved wages over time. The workforce is predominantly female with relatively low rates of unionisation (compared to school teachers). There are also a large number of small employers which rely on the award (rather than enterprise bargaining) to set pay scales

Early childhood education and care staff are aware that wage rises are likely to increase fees as they work closely with families and are aware of the likely affect for families on low to moderate incomes. This has contributed to less pressure on pay rates through enterprise bargaining and award setting.

Members of the NSW Children's Services Forum believe there is an attitude in Australia that undervalues work with children in the early years. This might, in part, arise from the use of the term 'care' which does not recognise the knowledge and skill level required to work with children under five years.

Impact of the regulatory burden on attracting or retaining staff.

The regulatory burden does have an impact on staff retention. For example, in NSW there have been two bodies assessing many children's services and a lot of duplication in 'red tape' as a result.

The new national regulatory system in early childhood education and care should alleviate some of this work load. However, many services are concerned that the perceived rate of significant change over the next few years may see an increased rate of retirement from long-standing, experienced staff. The increased qualification requirements, in particular, may have a negative impact as older staff who do not wish, or are not in a position, to undertake further study.

Government funding for administrative support so that the Director/teacher can have more time on the floor with the children and less dealing with red tape may improve staff retention.

Appropriateness of the qualifications required for entry into early education and care

Members of the NSW Children's Services Forum have expressed some concern about the university qualifications training people to teach children aged 0 to 12 years. There are two significant concerns

- teaching children from birth to 12 years requires a large range of skills and knowledge; and
- graduates are likely to move away from the early childhood sector in their search for better pay and conditions.

In NSW, the Institute of teachers seeks to assure both the profession and the community of the quality of teacher education programs. However, its focus is on primary and secondary education. This inevitably places pressure on 0 to 12 years teacher education programs to enhance the school education components, often at the expense of the early years. There needs to be a system that assures the quality of early childhood teacher education programs.

The skills and attributes of newly-qualified early education and care workers

The experience of members of the NSW Children's Services Forum as employers is that some newly qualified workers are very much work ready but that others are not. This appears to be dependent on the particular university or the Registered Training Organisation's course. The quality of education and training appears to vary greatly and is often due to the amount of practicum/work placement required in the course. The experience of members of the NSW Children's Services Forum is that more practicum/work placement leads to better workers.

There is also a concern that the quality of university degrees is not meeting the needs of the profession. There is often a lack of good quality child development and management subjects in the degree programs.

Qualification barriers to entering the workforce

The NSW Children's Services Forum believes that the reason the qualification requirements are a barrier to entry into the early childhood education and care sector is because of the lack of incentives to undertake studies. Poor pay and conditions being one, the cost of study being another.

The Modern Award does not provide any pay incentive for 3 year degree qualified teachers to upgrade to 4 year degree qualifications because the top pay scale is the same for both.

TAFE NSW has exempted fees for Diploma's in Children's Services. University students are still required to pay fees. If they are prepared to work in certain regional and remote areas they may be eligible for a refund of part of these fees.

Other factors include:

- lack of support for people undertaking the course, especially in rural/remote areas;
- the high literacy level required in studying, especially for people for whom English is not their first language; and
- the lack of capacity in a children's service or community to support existing workers in their studies.

How could any such barriers be overcome?

The barriers to employment in the early education and care sector could be reduced by removing or reducing fees for all early childhood qualifications. There should be increased funding for children's services to assist staff to upgrade their qualifications for the provision of study leave and relief staff.

Rewards for workers who obtain additional skills and qualifications.

The NSW Children's Services Forum believes that workers with additional skills and qualifications are not sufficiently rewarded. This reflects the general low pay and conditions within the early education and care sector. There needs to be a thorough review of the industrial awards and pay scales to provide incentives to upgrade qualifications (e.g. for 3-year to 4-year degrees).

In-service training and professional development programs

There are a number of organisations working to improve in-service training and professional development. However, there are still staff who do not access training and development programs and the Australian Government has not adequately supported in-service training and professional development for the introduction of the early years learning framework.

A significant barrier is cost, even if the training is free or at minimal charge. Many services are unable to pay for travel costs (especially in rural areas) and the cost of replacement staff.

Possible solutions have been suggested to increase participation in in-service training and professional development including:

- the greater use of information and communication technology;
- support for the development of IT or physical networks;
- the development and support of a mentor network for training and development purposes; and
- a greater acknowledgement and incentives for the training.

The professional status of the early education and care workforce

The NSW Children's Services Forum believes that the perceived low status of the early education and care workforce is a significant issue. One possible reason is that many people do not understand the educative role of early childhood services and see it as essentially a child minding service. One consequence of this perception is the relatively poor pay and conditions of the workforce compared to, for example, primary school teachers.

The supply of qualified workers to meet COAG's objectives

The Australian Government needs to fund for additional training for the Early education and care workforce. However, the NSW Children's Services Forum believes that the supply of qualified workers is not only a matter of increasing the number of training places. The major issue is workforce retention. If measures to improve retention are not introduced there will be difficulty in meeting COAG's objectives.

Quality of training providers and courses to meet the needs of the sector

Members of the NSW Children's Services Forum have expressed concerns regarding some registered training organisations whose programs do not qualify people to meet the needs of the sector. There is a need to monitor training providers to ensure the quality of graduates. In response to the increased demand for qualified workers, it is critical that the integrity of training is not further compromised

The NSW Children's Services Forum is concerned that some courses appear to no longer cover, in sufficient depth, important parts of the curriculum such as child development. The time spent in practicum has also decreased due to the cost remunerating on site teachers and visiting university advisors. There needs to be a continued commitment to extensive work placement throughout the duration of courses.

The balance of subjects/competencies needs to be constantly reviewed and integrated into all courses. Electives could allow students to specialise on particular areas e.g. management and administration; additional needs; social inclusion.

Productivity improvements in the sector

The NSW Children's Services Forum does not accept that the improved mandatory staff to child ratios will have a negative impact on productivity. Higher qualifications will contribute to improved delivery of education and care and improved outcomes for

children. Other factors to improved productivity include higher staff retention due to avoided burn out and increased job satisfaction.

Effectiveness of initiatives to increase the supply of workers

Any initiatives seeking to attract, and especially retain, workers in the early childhood education and care workforce to date have not met with substantial success. This remains a significant issue.

Upgrading qualifications of existing workers

There has been some discussion across the early childhood education and care sector about whether long term unqualified (or under-qualified) staff will move out of the sector or upgrade their qualifications. Unfortunately, some experienced staff left the sector when the first announcements were made.

There needs to be innovative ways to recognise existing skills and knowledge and extend this so as to facilitate self esteem of existing staff and to acknowledge that person's contribution to the service.

At the moment for some there will be no increase in wages, conditions or status for some existing staff.

The NSW Children's Services Forum believes there needs to be incentives for people to upgrade their qualifications so that they are keen to participate and that staff retention is improved.

6. Conclusions and Recommendations

The NSW Children's Services Forum has been supportive of the changes to the early childhood education and care sector under the Council of Australian Governments' reforms. In particular, the Forum has supported the proposal to require staff to possess minimum qualifications and to require more services across Australia to employ university qualified teachers.

However, the Forum is concerned about the quality of some programs. The Forum recommends that there be a greater emphasis on work placements/practicum in all early childhood courses. The Forum also recommends that degree programs ensure appropriate content relating to child development and management.

The Forum is extremely concerned that the shortage of qualified staff will continue unless attention and change occurs in the areas of remuneration and conditions. The Forum recommends that there be pay parity between early childhood teachers and teachers working in schools. The Forum also recommends that all children's services education and care staff be paid such that they can afford to use a children's service for their own child.

The Forum recommends that incentives be made available to attract and keep qualified staff in areas where it is difficult to attract applicants such as in rural and

remote areas. These need to be funded by Governments as these local communities cannot support additional costs.

The status of work in early childhood education and care needs to be improved so as to attract and retain staff. The role of the educator is poorly understood despite increasing attention to the critical importance of learning from birth. This requires many different strategies to ensure a broader community understanding of teaching and learning in the early years.

The NSW Children's Services Forum welcomes the introduction of National Standards for staffing requirements including qualifications and adult/child ratios. The Forum recommends that the current requirements for university qualified teachers in NSW be maintained and improved over time.

Pathways for upgrading qualifications need to be affordable, which is not currently the case. The Forum recommends that consideration should be given to a waiving of HECS fees.

The problem of attracting and keeping qualified staff is discussed constantly in key forums but the evidence is anecdotal. The Forum recommends that a study be undertaken to look at job satisfaction and turnover so there is an informed research basis for decisions.