

**Department for Communities Response to the  
Productivity Commission Early Childhood Development Workforce  
Issues Paper November 2010**

The Department for Communities welcomes the opportunity to provide input to the Productivity Commission Early Childhood Development Workforce Issues Paper. The comments provided in this submission supplement information provided to the Productivity Commission at a meeting in December 2010.

The Department has responsibility for regulating and supporting child care services in Western Australia, and our submission focuses primarily on the child care sector. It is however recognised that there are connections across the early childhood development workforce, and this interconnectedness is likely to increase in light of COAG reforms designed to integrate education and care and the move towards more integrated services in general.

In addition to its child care responsibilities, the Department also provides family support services either directly or indirectly through non-government agencies, including parenting support, Aboriginal early years programs, and funding for family centres. These services also face workforce issues, and like all human services, these issues are exacerbated during times of strong growth in other sectors of the economy which provide higher wages and conditions. However the lower wages and conditions in the child care sector combined with the COAG quality reforms represent particular challenges for this sector.

Workforce issues have been consistently identified by the child care sector as key factors in the ability of services to provide high quality services. Early childhood research and literature also clearly demonstrate this link. Similarly the research clearly identifies the important role that quality early childhood services play in supporting positive outcomes in childhood and in later life, and in supporting workforce participation of parents. The literature is not cited in the submission, however can be provided on request.

The Department's submission is in two parts. The first identifies priority areas of concern for the Department for Communities; the second addresses specific questions in the Issues Paper.

## **1. PRIORITY ISSUES**

### **Meeting the National Quality Agenda Reforms**

The COAG National Quality Agenda seeks to raise the quality of education and care through a range of measures including those which specifically target the early childhood workforce. At this point, workforce measures have not been developed concurrently with other quality measures such as the development of nationally consistent legislation, the National Quality Standard and the new assessment and rating process.

The child care sector in Western Australia is broadly supportive of the COAG National Quality Agenda reforms including increased qualification requirements.

In 2007 the Department commenced a review of its Child Care Services Act and associated regulations. Through this process the child care sector was broadly supportive of minimum qualification requirements of Certificate III in Children's Services, and while these are not yet required through legislation, the sector has been voluntarily moving towards meeting these.

Measures introduced by the Commonwealth such as the waiver of TAFE fees for diploma and advanced diploma qualifications have been regarded positively by the sector and the Department has been advised by Department of Education Employment and Workplace Relations that there has been good take up of this initiative. Data is required to determine the extent to which people participating in these courses move into or remain in the child care workforce.

The requirement for teacher qualifications by 2014 will present a significant challenge for the child care sector in Western Australia particularly in regional and remote areas. The challenges are twofold:

- Firstly ensuring adequate supply of four year trained early childhood teachers; and
- Secondly, the different pay and conditions within the child care and formal schooling sectors will impact on the capacity of the child care sector to attract teachers.

The difficulties of attracting and retaining qualified teachers and other qualified staff in child care settings are exacerbated in regional and remote areas. This is discussed in more detail below.

The appropriateness of early childhood teacher qualifications for child care settings also requires consideration, specifically that the qualification covers the period from birth to eight years.

Currently, unlike other jurisdictions, preschool (kindergarten) provision in Western Australia occurs only in school settings. The Western Australian Government, through the Department of Education, is currently conducting a feasibility study to investigate provision of kindergarten in child care settings as part of the National Partnership Agreement on Early Childhood Education (Universal Access). Dependent on the outcomes of this study universal access funding could potentially become available to support the employment of teachers in childcare settings to provide a kindergarten program.

There should also be potential to explore flexible models of staffing to respond to the needs of specific locations; for example in remote locations with a preschool and a child care service in close proximity it may be possible for the qualified teacher to move between the preschool and child care settings.

Finally, in addition to enhanced qualification requirements for child care staff, the introduction of the National Quality Framework involves a broader role for state regulatory authorities with staff being responsible for both regulatory and quality assurance processes. This will require skill development, and potentially for some staff gaining specified qualifications, in order to undertake the new role. The human resource requirements for regulatory agencies are still being explored through the COAG process, however this has been identified as a significant issue by regulatory agencies and the child care sector.

## **REGIONAL AND REMOTE ISSUES**

Impacts on regional and remote services are particularly significant for Western Australia as, using the ABS Accessibility/Remoteness Index of Australia (ARIA), 27 Local Government Areas are very remote and 32 are remote, of a total of 141 Local Government Areas. Of these, 35 currently have at least one licensed child care provider. The East Pilbara which has the second highest ARIA score has 2 Long Day Care, 6 Family Day Care and 1 Outside School Hours Care services.

There is a total of approximately 140 licensed services across remote and very remote Local Government Areas, representing around 10% of child care services in Western Australia.

Rapid growth in regional and remote mining towns creates two opposing pressures for child care – on the one hand demand for child care increases, while on the other hand workers in

service industries such as child care are drawn into the mining sector as a result of the higher wages offered.

The increased demand for child care to support workforce participation has been recognised by major mining companies in Western Australia. For example, BHP, Woodside and Rio have all partnered with child care providers to provide child care services in mining towns. Contributions by the mining companies have included assistance with construction costs, and the provision of housing for child care workers to support recruitment and retention of staff who would not otherwise be able to afford the high housing costs (purchase and rental) and higher general living costs in mining towns. This measure further assists with the affordability of child care in those areas.

The Department has recently been provided with an example which illustrates the significance of housing to staffing of centres. A mining company in a Pilbara town has withdrawn its contribution to housing costs for the child care coordinator, resulting in the centre needing to increase its revenue by approximately \$1000 per week to meet the rental cost for the staff member. This has resulted in child care fees increasing from \$375 to \$450 per place per week.

### **Costs associated with regional employment of Government staff**

There are a range of additional costs associated with employing Government staff in regional and remote locations:

- District Allowance is payable for staff located in specific regions, ranging from an average \$4641 per annum for the Goldfields to an average of \$9237 in the Kimberley. (in Fitzroy in the Kimberley, the District Allowance is \$14, 486)
- Staff located above the 26° parallel also receive:
  - 5 days extra leave (North West Leave)
  - An annual leave concession (equivalent to a return economy airfare from the work location to Perth for themselves and their dependents)
  - A North West Child Allowance (\$100 per school aged child to a maximum of \$400 per annum)
  - Air Conditioning Subsidy (approximately \$1200 per annum)
- Staff relocated or new staff appointments to country areas receive assistance with relocation, including removal of personal effects, storage costs, depreciation allowance, vehicle transport costs and disturbance allowance, which can amount to approximately \$15 000
- Staff located in specific remote locations are also entitled to Remote Community Allowance (\$3500 per annum), free housing and 4 weeks extra leave.

On average it costs an additional \$7 000 per annum to employ a government worker in a remote area compared to a metropolitan based worker.

Even with these incentives government agencies can experience difficulty in recruiting and retaining staff to regional and remote locations.

### **Child Care Costs**

Child Care staff (private and non-government) are not entitled to the same conditions as Government employees, however child care centres are finding that they have to attempt to match some of the conditions in order to attract and retain staff.

A child care service provided the following comparison of different rates paid to staff in different locations. The information relates to the Director's positions, several of whom have teaching qualifications.

Region	Position	Hourly rate	Total Salary Package	Extras
South West	Director	\$24.12	\$51 267	None
	Director	\$24.43	\$51 925	None
	Director	\$25.69	\$54 604	None
	Director	\$24.43	\$51 925	None
Great Southern	Director	\$24.74	\$52 584	None
Pilbara	Director	\$44.71	\$87 200	Plus \$10 000 for a vehicle, rent subsidy and travel back to home state
Metro	Director	\$25.93	\$55 114	None

The provider also commented on the variability of the value of subsidised accommodation. For example in one Pilbara town the major employer is providing subsidised housing for child care staff, with staff paying approximately \$250 for a house which would normally rent for \$1000 per week. In another Pilbara location, the provider is paying \$1600 per week for basic accommodation for one of its staff members.

### **Costs of employing a teacher**

A service based in the Pilbara has provided a detailed budget comparison between:

1. current staffing arrangements for the 09-10 financial year (total salaries \$503 950)
2. a proposed budget applying the staffing requirements as per the National Quality Agenda, i.e. all staff with certificate III in Children's Services and employment of a 4 year qualified teacher (total salaries \$555 372)

This increase in costs to meet the National Quality qualification requirements would result in a fee increase of approximately \$33 per place per week (09/10 figures). The bulk of this increase would be paid by parents directly rather than through Child Care Benefit due to the high incomes paid to offset the high living costs in this area.

### **Access to Training and Professional Development**

Access to affordable training and ongoing professional development are critical issues in regional and remote areas. Barriers include the cost of training and professional development, and the time taken out of services to travel to and attend training.

## **2. QUESTIONS RAISED IN THE ISSUES PAPER**

### **Suggested scope of the ECD workforce**

The Department supports the scope as outlined and recommends that the following sectors of the child care workforce be specifically included:

- the regulatory authority workforce, and
- workers providing support to child care services, for example the Department's Children's Services Officers who support quality in childcare services and assist services to link with other community networks, and professional support and inclusion workers.

## **Benefits and limitations of integrating and co-locating ECD services**

The Department developed a discussion paper on Integrated Service Delivery in 2009 to stimulate discussion in the early childhood sector about integrated service models. The research for the discussion paper identified the following:

- the perceived benefits of integrated services are improved access and utilisation for children and families, more relevant and responsive services and building capacity and connections.
- the evidence pointing to integrated service systems as a more efficient and effective way of delivering services provides a strong argument for developing an integrated approach.
- the child and family outcomes that can be expected from integrated child and family service delivery include improvements in the health, wellbeing and development of children; children's readiness for school; improved family functioning; and the ability of families to meet their children's learning and development needs.
- there is a history of innovative work at 'ground level'. It is important to acknowledge and build upon this work in developing an integrated service framework for children and family services

Challenges include:

- there is little evidence about the impact of integrated service delivery on the outcomes for children and families or how these outcomes are best measured. Evaluation at the local program level is critical to build this evidence base.
- understandings about models of integration and outcomes sought are not always shared across sectors and professions and this means communicating the integration agenda can be difficult. A shared definition of integrated services is an essential underpinning for an integrated services framework.

## **Characteristics of the childcare workforce**

The poor pay and conditions for the child care workforce, compared to other service industries and to the formal schooling sector, result in recruitment and retention difficulties. This is exacerbated when there is strong growth in other sectors of the economy, such as the mining sector.

A National Workforce Census of the education and care sector was undertaken in 2010 and will provide detailed information about the child care workforce and enable some comparisons between the care and education sectors. Data was collected in relation to demographics, current qualifications, current areas of study and study intentions, professional development and training, wages and salary, type of employment and type of work engaged in, prior experience, recognition of prior learning etc.

The characteristics of the regulatory workforce need also to be taken into account, particularly as skill and qualification requirements will change under the COAG National Quality Agenda reforms (although these requirements have not been determined at this stage).

## **The impact of the differing roles and policies of governments on the planning and provision of the ECD workforce**

Where government has a direct role in provision of early childhood development services, including employment of the workforce, there is increased capacity for workforce planning.

However, where the sectors is largely market driven, as is the case in child care provision in Western Australia, it is more difficult for government to play a role in workforce planning.

Nevertheless, child care represents a critical aspect of community infrastructure – to support positive outcomes for children now and in the future, and to support workforce participation for parents. This role has been recognised by the Western Australian Government in the release of the Department of Training and Workforce Development's *Skilling WA – a workforce development plan for Western Australia*.

### **Options for funding the increased wages and salaries of more highly qualified ECD workers**

Potential options include:

- The use of universal access funding to support the employment of qualified teachers in child care;
- Incentive and/or reward payments for services to employ qualified teachers in child care settings; Financial and management support to services, for example support to non-government management committees to ensure they are maximising FBT to increase staff salaries

### **Regulatory burden**

The Department anticipates that the COAG reforms will result in less regulatory burden for staff and services as they will be dealing with one regulatory authority rather than two. As well specific aspects of the reform agenda, such as one provider approval, no renewal process as such and portability of the Supervising Officer are all significant improvements in this regard. In addition the new regulatory approach is intended to be more collaborative in nature and includes the concept of earned autonomy, by which services who are doing well in meeting the National Quality Standard will be subject to less visits and less oversight by the regulatory authority.

This decrease in regulatory burden may take some time to be fully realised as initially all services will be rated at Foundation level and subject to an annual visit. In addition regulatory agency and child care service staff will require training and time to familiarise themselves with the new regulatory and quality assurance system

### **Qualification requirements restricting workers' ability to move between jurisdictions or ECD sectors**

The qualification requirements under the National Quality Framework should remove barriers to workers moving across jurisdictions through providing a nationally consistent approach and nationally recognised qualifications.

Clear training and education pathways will be required to assist staff to move between the education and care sectors; however the current higher levels of pay and conditions for teachers in the formal schooling sector are a barrier to teachers moving into the childcare sector.

### **Skills and attributes of newly qualified workers**

Anecdotal information from services indicates some dissatisfaction with the skills and attributes of newly qualified early childhood workers. There is a perception that some

training organisations are not offering quality training and that quality assurance of trainers is inadequate.

Conversely, training organisations argue that it is not possible to fully equip workers within the length of courses offered and that this is compounded by low entry level requirements. They argue that a basic qualification must be supplemented with ongoing worker development and training and that workforce pressures have raised employer expectations of newly qualified workers.

### **Qualification requirements as a barrier to entering the ECD sector**

Access to training can be a barrier particularly in regional and remote locations. Travel to and/or accommodation costs while training can potentially be addressed by work-based training. This should not however be regarded as a low cost option, as appropriate resources need to be committed to training in the work place to ensure it is of high quality.

### **Workers who obtain additional skills and qualifications**

Unless child care providers have their own reward system in place, the only recognition is through salaries associated with different levels of qualifications, i.e. between Certificate and Diploma qualifications. Diploma qualifications are not recognised as prior learning by all universities. This can relate to the competency based approach of the VET sector and the outcomes based approach of university courses.

Career progression opportunities could be enhanced by better alignment of VET sector and university training.

### **In-service training and professional development programs**

Access to in-service training and professional development relates to the willingness and capacity of child care services to provide professional development opportunities and the quality of the professional development offered. There is little or no quality assurance of professional development for the child care sector and the National Quality reforms are giving rise to an increased number of private professional development companies/consultants. High level leadership skills in the education of children and staff, and service management are required at service level to enable sound judgements to be made about professional development for staff.

Barriers raised by location could be overcome by greater use of electronic media, however, this has to be met with the capacity and commitment to use this media at service level. Service leadership and incentives to participate in professional development, for example provision of time for professional learning, are required.

### **Professional status for the Early Childhood workforce**

Public perception of child care workers has to be raised, and is linked to greater understanding of the importance of the early years of life. A social marketing campaign as proposed through the Early Childhood Development Strategy would assist in changing perceptions and raising the status of the child care profession.

### **Training providers and courses**

Consistent feedback from the sector is that there is a high degree of variability in training providers and the courses offered. For example:

- That some training organisations are not offering quality training and that inadequate quality assurance of trainers is an issue.
- That some training organisations recognise prior learning to the extent that they require the applicants to complete little further training, while some do not recognise

any prior learning as a way of encouraging applicants to undertake full training for a higher qualification

- work places may not always undertake the necessary supervision/on the job training of students or fully understand their responsibility to do so and 'sign off' on student requirements without students necessarily having demonstrated they have met them.

### **Scope for productivity improvements**

Short and long term views are needed with regard to productivity improvements. Child care allows more parents to work leading to greater productivity and taxation contributions. In addition, research (for example the Hi-Scope Perry study and others) shows high quality early childhood education and care improves long term child outcomes enabling access to higher levels of employment/salary and increasing their taxation contribution, and reducing costs to society through better mental and physical health. The scope for these long term productivity improvements relates to the quality of early childhood services.

### **Upgrading qualifications**

It is not possible to predict accurately whether workers required to upgrade their qualifications will leave the sector. Some form of study will need to be undertaken as part of the National Quality Framework.

The recognition of prior learning and experience will be essential to maintain staffing, with a focus on higher entry levels for new staff and appropriate incentives over time. 'Grandfathering' of requirements for staff that maintains existing pay and conditions but prevents access to roles with increased responsibility and pay is also an option for encouraging staff to upgrade qualifications.

### **Skill-mix requirements and work practices for integrated or co-located services**

There is potentially scope for a common core to a number of courses, however in order to gain the depth of knowledge, understanding and skills required specialisations will still be required.

For the early childhood sector two foci are required: to develop high level business/administration leaders and staff; and to develop high level educational leaders and staff who work directly with children