

Early Childhood Development Workforce Study

Family Day Care Australia Submission



Introduction

In April 2010, Family Day Care Australia (FDCA), on behalf of the family day care (FDC) sector, launched the *Family Day Care Five Year Plan – Working for a Stronger Future*. The plan was developed by the National Members' Forum, which is the national consultative group for Family Day Care Australia, consisting of an educator and a coordination unit staff representative from each state and territory. Within the five year plan, workforce development has been identified as a central priority, as *Key Result Area 2*. This mandate, therefore, renders the Productivity Commission's Early Childhood Development Workforce Study, and the subsequent results of the study, to be of particular interest and importance to the family day care sector nationally.

Family Day Care Australia is committed to a rights-based approach to inform our research and advocacy work, utilising the United Nations Convention on the Rights of the Child (UNCRC) as an overarching framework. The proposed outcomes outlined within the UNCRC underpin much of the work Family Day Care Australia attempts to achieve on behalf of or in conjunction with the family day care sector. As such, Family Day Care Australia consistently asks 'what does the family day care workforce require to uphold these rights?' This rationale, therefore, will also act as a central point of reference for this submission, in terms of exploring the workforce development needs of the family day care sector.

Reference will predominantly be made to the family day care sector, though at times this will also include the in-home care sector.

Overview of the family day care workforce

- The family day care sector currently consists of approximately 349 schemes (or coordination units). There is no current source of information in relation to the number of coordination unit staff – this will be remedied upon the completion of the FDCA Scheme Survey 2010-11. The most current information (taken from the FDCA Scheme Survey 2008) suggested that there were approximately 1,716 coordination unit staff¹ at this time.
- Current data (from the Family Day Care Australia database) indicates that there are 13,627 educators across Australia.
- The most recent data available suggests that the number of children within family day care (including in-home care) is 106,638 (DEEWR, 2010), which is approximately 12% of the total number of Australian children within formal care structures.

From Figures 1 and 2 (below), it is evident that while the number of government-supported family day care places has been rising at a steady rate between 1991

¹ This figure includes both full-time and part-time employees.

and 2006, it is not rising at the same rate as the total number of government-supported operational places. Total Australian Government supported child care operational places increased by 366.14% between 1991 and 2006, whereas the family day care sector rose by 76.79% over this same period. Averaging out the individual growth rates between the years gave an average growth rate of 10.6% (cumulative) for total government supported child care operational places and a growth rate of 4.52% for total government supported family day care places.

This discrepancy is primarily due to the boom in private and corporate for-profit long day care centre numbers over this time (Brennan, 2007). While it is beyond the scope of this submission to explore this phenomenon, it is significant to the current state of all early childhood education and care sectors today, as it has contributed considerably to some of negative aspects that characterise the early childhood education and care (ECEC) workforce. Bretherton (2010b; 1), in a study commissioned specifically to assess workforce development issues within the ECEC sector, summarises some of these aspects succinctly in stating:

Despite the intense level of responsibility that child care work demands, the industry is characterised by a tension between the high value and importance of the work, and the low remuneration, benefits and status achieved by those actually undertaking the work. Beyond the intrinsic rewards derived from working with children, which may be significant, the pay and working conditions are typically poor.

These issues are discussed in greater detail below.

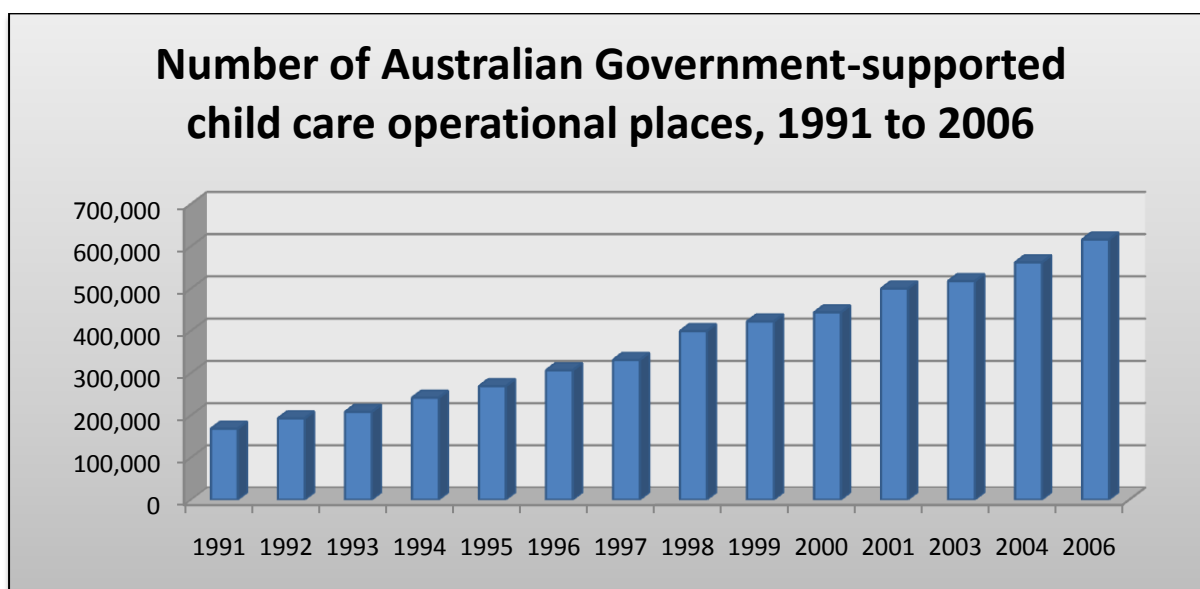


Figure 1 AIHW *Australia's Welfare 2007* (2007; 426)

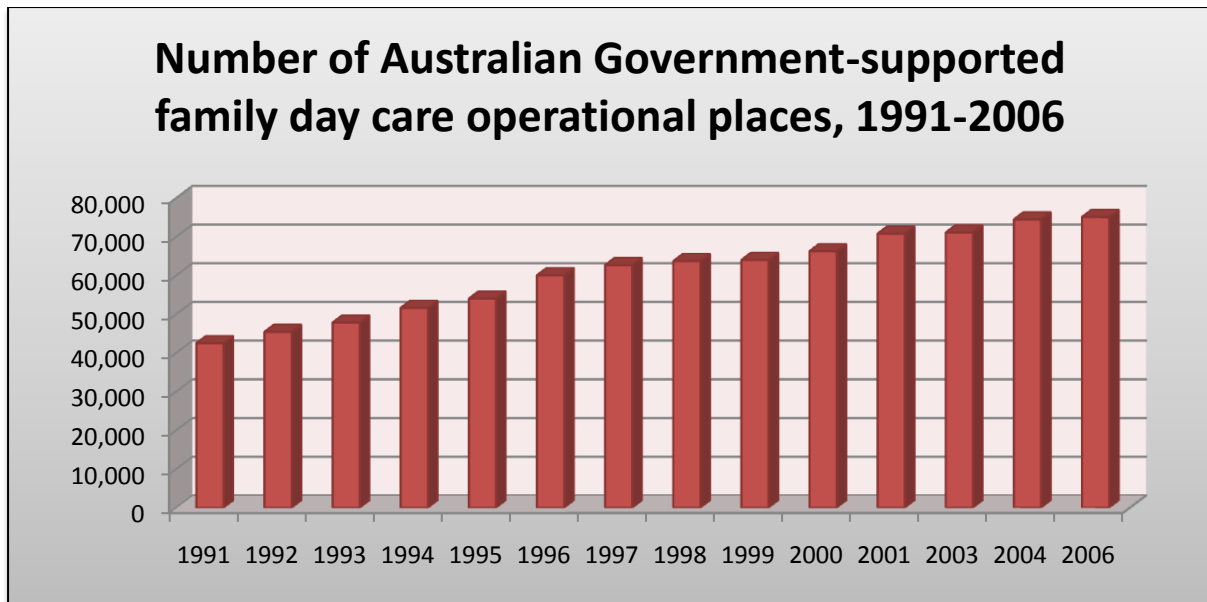


Figure 2 Source: AIHW *Australia's Welfare 2007* (2007; 426)

Family Day Care in Regional and Remote Settings

While the outside school hours care (OSHC) and long day care (LDC) sectors provide more *actual* places in regional and remote areas, the proportion of places in relation to total numbers is significantly higher in the family day care sector (shown in Figure 3 below). In 2008, the family day care sector provided 56.3% of total family day care services in regional and remote settings, compared to 20.5% in the outside school hours care sector and 29.4% in the long day care sector. This indicates that the family day care sector shows a strong commitment to regional and remote areas and is often the most practical means of child care in these areas, due to its flexible and geographically diffuse nature.

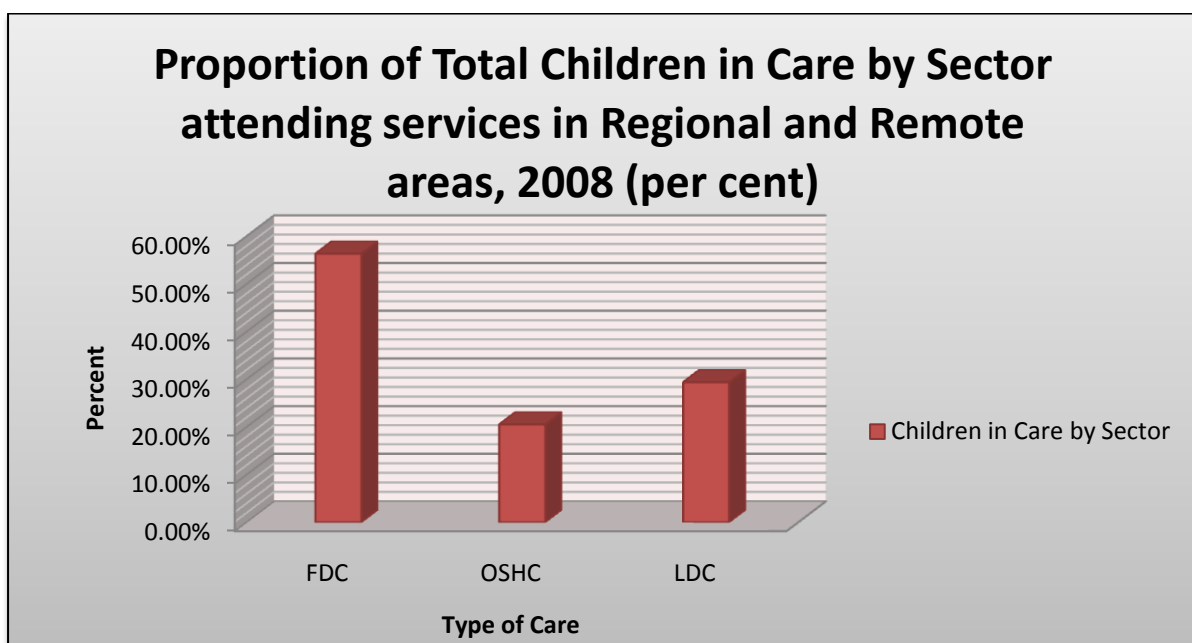


Figure 3 ABS 4402.0 (2008; 15)

The percentage of the family day care sector in regional and remote settings is likely to increase over the coming years, due to a possible decline in family day care services within metropolitan areas. This decline would be primarily due to rising housing costs in metropolitan areas, which could render some services financially unviable. Whether this broad trend will impact on overall service numbers, or the growth rate of the sector generally, remains unclear at this time.

Evidence that may support this potential trend may be found in a study that was commissioned by the Municipal Association of Victoria (2009) to assess the financial viability of local government sponsored family day care schemes across Victoria. This included assessment of inner metropolitan, outer metropolitan, and regional and rural schemes. The study found that for the 2007-08 period, the most cost-effective, financially viable schemes were from rural and regional areas. A range of measures were utilised in the study, such as consideration of profit/loss; expenditure of the coordination unit per full-time equivalent (FTE) child; scheme utilisation rate; educator hours; and, the number of FTE coordination unit staff. The report indicated that inner metropolitan schemes averaged costs of more than \$1000 higher per EFT child than schemes in other areas. The greater financial viability of rural and regional schemes was primarily due to 'operational advantages', such as low educator turnover, less competition from long day care centres and greater community engagement between families and services.

Child development reasons for using different ECEC services

The predominant reason for requiring care relates to workforce participation. The Australian Bureau of Statistics (2008: Table 4) indicates that 75% of parents whose children 'usually attend formal care' structures do so for work related reasons. The ever-increasing female labour force participation rate is a well-documented phenomenon, and is proportional to an ever-increasing demand for early childhood education and care. A study by Boyd, Tayler and Thorpe (2010) of first-time expectant mothers found that of the sample, 78% of the women intended to recommence within the 12 months after the birth of their child.

As parents often utilise a range of formal service types, as well as informal care structures (ABS, 2008), it may seem that parents often choose early childhood education and care services based on pragmatic reasons, such as convenience and availability. However, the study by Boyd et al. (2010) indicates that less than 10% of the 124 women participating in the study articulated these reasons as being important in their decision-making process. Factors such as characteristics and qualifications of the educator, the care setting/type and the environment were cited as being paramount to the majority of participants.

Due to the unique structure of family day care, it has become the preferred early childhood education and care option for a significant proportion of Australian families. The reasons for this include:

- Stability of care - a consistent educator allows children to form strong attachments, which contributes to a strong sense of agency
- Small group settings and lower child-educator ratios
- Familial setting
- Flexible service delivery

Huntsman (2008) cites a significant number of Australian and international studies that link elements that are inherent to the structural nature of family day care as being indicators of higher quality outcomes for children. Reference is primarily made to *process quality* (that is, what actually occurs within setting) rather than *structural quality* (aspects of the settings themselves). Huntsman (iii) states:

- *"Lower child-adult ratios (fewer children per caregiver) are associated with higher process quality; conversely, higher ratios are associated with lower process quality. The connection seems to be stronger for younger (ie infants) than older children (ie over three years)."*
- *Larger group size is associated with lower process quality, but the connection is not as strong as for child-adult ratio."*

It is also stated that stability of care is associated with positive child outcomes. However, Huntsman indicates that the most significant factor affecting quality appears to be 'caregiver' education, qualifications and training. These elements are further discussed below.

The Government-facilitated shift away from 'child care' to 'early childhood education and care' is raising awareness of the importance of the early years of a child's life to all aspects of development and positive outcomes for later life. Whether this increased awareness will create greater demand for family day care as a preferred option, due to the clear links with high quality developmental outcomes for children, will not be observable for some years.

Regulatory changes and workforce implications

While COAG has set a policy trajectory to improve quality standards, as yet no reforms aimed at improving the status and working conditions of early childhood teachers have been announced - Dr Marianne Fenech

The Council of Australian Governments (COAG) agreed to a reform agenda in 2007 in the area of early childhood education and care, which has led to the establishment of the National Quality Framework (NQF), key elements of which include the Early Years Learning Framework (EYLF), an enhanced and nationally consistent regulatory framework (the National Quality Standard), and a new ratings and assessment system. These changes have a number of significant consequences for the family day care workforce. Family Day Care Australia is fully supportive of the National Quality Framework for ECEC, though recognises that there are considerable challenges facing the workforce in implementing the changes to an adequate level. Key issues relate to qualifications, professional development (and hence training providers) and working conditions.

Paradigm shifts, qualifications and the new assessment system

Firstly, as mentioned above, these changes have precipitated a shift in philosophy, away from 'child care' to that of 'early childhood education and care'; from 'carers' to 'educators'. While Family Day Care Australia is fully supportive of this shift, it has a range of implications for both educators and coordination unit staff that will impact upon not only the current nature of the family day care workforce, but also on the future development of the workforce. As outlined by Buchanan (2010), the shift will impact on the four 'domains of influence' that shape workforce

development; that is, the nature of services, skill deployment, labour supply and the provision of training services.

In relation to family day care educators, the Early Years Learning Framework presents a number of challenges for educators in terms of how they reflect upon their interactions with children within ECEC environments. The current minimum qualification level (required under the National Quality Framework), that is, the Certificate III in Children's Services, is primarily focussed around practical skills rather than critical analysis. Reflecting on the pedagogical reasoning behind elements of practice (termed 'intentional teaching') is unfamiliar territory for many educators within the ECEC sector. The EYLF and its application within ECEC services is linked to the new assessment and rating system, therefore, there should be some acknowledgement of critical reflection and pedagogy within the minimum qualification requirements.

As part of the new assessment system, coordination unit staff are required to implement self assessment and quality improvement planning measures. The focus within the new accreditation and assessment process on a holistic approach to service delivery requires consideration of how management systems are integrated and monitored; and quality outcomes delivered and evaluated. This approach is a significantly different conceptual model to the existing model. If we consider generic theories of change, the new approach is shifting towards an 'empowerment model', that is change is driven by target stakeholder groups who are committed to the change process. The existing model can be characterised broadly as a 'carrot and stick model' (Dart & McGarry, 2006; 8), driven by regulations and compliance. However, the new model is neither one nor the other; rather it is a mixture of the two.

The existing 'carrot and stick model' has lead to the creation of this highly 'compliant' industry culture. This, in turn, has had the unintended effect of steering *training* away from innovative approaches to practice, towards skills that are based on adherence to regulatory standards. In this context, the scope for considering and encouraging new areas of knowledge, practice and skill for the industry are constrained (Bretherton, 2010b; 2). Fenech and Sumsion (2007), utilising a Foucauldian conception of power constructions, support this notion within their study of university-qualified early childhood teachers' perceptions of regulation. They state that regulatory structures within ECEC settings can be repressive or constrain innovative practice and in order for greater agency to be exercised, early childhood practitioners must be able to harness a critically reflective stance in relation to practice. Bretherton states (2010a; 37):

As findings from the OECD note, childcare systems work most effectively (with high worker retention and better skill levels) when the issue of regulation is embedded deeply in professional doctrine and when regulation offers scope for the exercise of discretionary professional judgement.

Therefore, from both an educational program perspective and organisational development perspective, the ECEC workforce is now required to reflect on their practices and systems and be able to determine how to improve quality and increase their professionalism. The existing training frameworks within the VET sector are predominantly focused on practical application of skills and knowledge. The vast majority of those who have qualifications within the ECEC sector have come from this background. They have not, in the most part, received training to enable

them to gain the skills, knowledge or experience to undertake complex critical analysis of their organisations, job roles and practice.

Bretherton's research (cited above) confirms Family Day Care Australia's experience and issues that have emerged from consultation with the sector about this next crucial phase in the transition to the National Quality Framework. Some states have started working towards this goal but require much more support. Family Day Care Australia is responding to concerns within the sector about this emerging skills gap and recognises that to ensure a successful transition to this new conceptual model, there must be adequate support for the sector to understand the new conceptual framework first. Within an empowerment model, for any significant change to be sustainable it has to be firstly owned and internalised by the recipients of change and then voluntarily integrated into new practice (Argyris, 1993: cited in Gordon, 2004). Therefore shifting from a purely behavioural change basis to conceptual and attitudinal change model creates a far more effective flow through to embedding quality in everyday practice. However, this conceptual change requires specific and direct support. Family Day Care Australia has submitted a proposal to DEEWR to consider assisting in the development of an accreditation/assessment assistance program, though have not as yet received a response to this proposal.

Training and ongoing professional development

As mentioned above, there are gaps within the minimum level qualification requirements under the NQF (for both educators and coordination unit staff) which may apply to all ECEC service types that come under the NQF. However, there are issues that are specific to the family day care sector, in relation to the qualification requirements and ongoing professional development, which may have an impact on the sector. Such issues include:

Appropriateness of qualification structure - Preliminary findings from the Industry Skills Council (ISC) *Family Day Care Workforce Development Research Project*² suggest, by analysing the role of a coordinator against the Diploma in Children's Services, that an Advanced Diploma level would more accurately reflect what is required in the role of a family day care coordinator. Similarly, the preliminary report suggests that the role of a family day care educator is more reflected by a Certificate IV level qualification. While Family Day Care Australia is not advocating that the minimum qualification requirements change at this time, it should be acknowledged that there are discrepancies between the qualifications and the requirements of the role.

Flexible training options - A significant barrier to undertaking training and further professional development is indicated within the ISC *Workforce Development Research Project*, that is, there is a lack of flexible training options, particularly for educators, though also for coordination unit staff. This is by no means ubiquitous – there are many flexible and innovative training options, though these options are particularly difficult to access for those in rural and remote areas. Educators can face difficulties due to factors such as isolation, inability to access online options, language and literacy issues, lack of computer skills, and length of time between when last they were involved in formal study. Coordination unit staff often face difficulties in back-filling positions, due to such factors as the specialised nature of the work role and legislative requirements for minimum contact hours with educators.

² Currently unpublished. Projected to be completed March 2011.

Recognition of Prior Learning - Family Day Care Australia conducted a survey in early 2010 in relation to educators' experiences with Recognition of Prior Learning (RPL) systems. While the majority of respondents had a positive experience with RPL, many stated that previous experience was not adequately taken into account, the documentary evidence process was prohibitively difficult, there was little understanding of family day care or that assessment processes were somewhat exiguous. The relatively small response rate to the survey indicated that many of those within the sector had either not utilised RPL or were not aware of it as an option. These problems are difficult to address in a coherent manner due to the diverse and diffuse nature of the VET sector.

VET and higher education gap - Buchanan (2010) also cites a gap between the VET and higher education streams as contributing to a 'skills atrophy' across the ECEC sector as a whole. Without a coherent strategy to merge these streams, this atrophy cannot be adequately addressed.

Practical component of Certificate III - Problems also arise for many family day care educators that are required to complete a practical element as a unit of competency within the Certificate III in Children's Services. For the most part, RTOs require that this unit of competency be completed in a long day care centre. This is clearly impractical for a number of reasons. Firstly, currently the majority of family day care educators completing their qualifications after commencing work within the sector and hence are studying while working, which would require them to shut down their business. Due to the requirement for compulsory minimum level qualifications under the NQF, more schemes are requiring new educators to be qualified prior to commencement. However, this shift does not impact on the second problem, which is that the elements of the centre-based environment are not applicable to the family day care setting.

Government support for training places and incentives for ongoing professional development - While the government has funded programs to assist with the workforce development needs of the family day care sector (specifically in relation to VET qualifications), for example, the recent Enterprise Based Productivity Places Program (EBPPP), the demand for assistance far outweighs the supply. Family Day Care Australia received 80 funded training places through this program in 2010 for distribution to all states and territories. While any assistance is positive, within a sector of over 13,000 educators and over 1,700 coordination unit staff, this could be considered a 'drop in the ocean'. Greater levels of assistance in this area will assist in improving retention rates in the face of possible attrition as a result of the qualification requirements under the National Quality Framework. It will also act as an incentive to ongoing professional development, which is linked to better-quality outcomes for children.

Universal Access and the family day care sector

Family day care is compliant with Australian government guidelines, national standards, state and territory regulations, the Family Day Care Quality Assurance system through the National Childcare Accreditation Council and individual scheme policies. Eligible families are able to access Child Care Benefit and Child Care Rebate to assist with the costs of care.

Family Day Care Australia would like to highlight that under the Interpretations in the *National Partnership Agreement on Early Childhood Education*, the family day care

sector fits within all the criteria, however, has been excluded from participating in the universal access program or having any programs defined as meeting universal access requirements. This provides an unlevel playing field with the rest of the early childhood sector who are able to receive funding and promote their service as meeting the universal access criteria.

Approximately one third of all children who attend family day care nationally are between the ages of three and five years (DEEWR, 2008; 41). Family Day Care Australia and the family day care sector support the objectives of the universal access program and sees that the unique nature of family day care can assist in facilitating increased participation levels across jurisdictions, particularly for regional, rural and remote areas and for those children with additional needs.

Many families choose family day care for the specific small group setting and the strong relationship they develop with one educator. This is in line with the definition of universal access in the National Partnership Agreement that refers to "...a diversity of settings; in a form that meets the needs of parents; and at a cost that does not present a barrier to participation (6)."

While it is not a requirement under the new National Quality Standard for family day care to have four year trained teachers leading programs, the sector has recognised the importance of their role in providing pedagogical leadership and meeting the quality outcomes required as part of the National Quality Framework. As such the family day care sector has highlighted the inclusion of more four year trained teachers as part of the sector's five year strategic plan. While there are many existing four year trained teachers working within family day care, it is anticipated workforce development requirements will demand a significant increase in this number. Workforce constraints in the early childhood sector mean that inter-sectoral partnerships are an option to assist family day care meet this goal. These partnerships would be developed in response to the needs and context of the families and communities in which they are situated. The ability to implement a range of flexible options for the delivery of universal access programs through family day care's unique context and a partnership model will improve the jurisdiction's ability to meet universal access goals in a coordinated way.

Family day care already provides "wrap around" services with preschools and kindergartens and under the National Quality Standard, these partnerships will become more formalised, thus providing opportunities for expansion of professional partnerships and more integration of services. A number of innovative models of service provision, designed and led by four year trained teachers, for universal access have been piloted across Australia within family day care. These have included integrated approaches within existing programs, mentoring models and teacher lead playgroup sessions.

The family day care sector would like to work closely with each jurisdiction to ensure that all families have the opportunity to participate in universal access, regardless of their early childhood service choice, potential locational disadvantage or requirements to support their child with additional needs.

Data collections on the ECEC Workforce

Family Day Care Australia is in the process of conducting two extensive surveys, one for family day care educators and one for coordination units. The data collection

phase will be completed at the end of February 2011; preliminary results should be available for analysis by the end of March 2011. The educators' survey is expected to yield a response rate of between 15 and 20 percent of the sector (and hence will only illustrate a representative sample of the sector), whereas the coordination unit survey should yield a response rate of between 85 and 95 percent (based on previous response rates). The questions within both surveys cover a wide range of topics including:

- Job satisfaction indicators
- Social and emotional wellbeing
- Qualifications and training
- Children with additional needs and support structures
- Cultural background of educators and children
- Educator and coordination unit staff relationships
- Communication skills and methods, and utilisation of technology

Family Day Care Australia would advocate that quantitative information collected through the Child Care Management System (CCMS) be made available to the public at regular intervals through DEEWR. This would allow the composition of the ECEC sector to be monitored more effectively. DEEWR's report *State of Child Care in Australia* (2010) provides some information taken from the CCMS database, though it is unclear as to whether this report is part of an ongoing series.

While the Productivity Commission's Issues Paper stated that there is a *wealth of data* on 'child care' oriented services, the most comprehensive source of quantitative data relating to the ECEC sector, that is, the *Australian Government Census of Child Care Services*, was discontinued as of 2006. DEEWR is currently conducting, and has completed the data collection phase of the *National Early Childhood Education and Child Care Workforce Census (National Workforce Census)*, though the precise nature of the constitution of the study, and the frequency of the collection, is somewhat unclear at this time.

The Issues Paper cites gaps in data relating to nationally consistent collections regarding child health and family support services. These gaps also reflect a void in research pertaining to how ECEC services fit within the greater structures child health and family support services, and therefore contribute to an inadequate understanding of the needs of vulnerable Australian families and their children, including those from socio-economically disadvantaged, Indigenous, and culturally and linguistically diverse backgrounds³.

These gaps are cited by the Research and Evaluation Working Group (REWG) which is under the auspice of DEEWR's Office of Early Childhood Education and Child Care (OECECC). Further information relating to these issues can be sourced through Dr Geoff Holloway, Research Manager for the Australian Research Alliance for Children and Youth (ARACY), who recently conducted a series of workshops across Australia relating to Early Childhood Development research gaps.

³ This also applies to children with additional needs, which is discussed further below.

Children with Additional Needs

The Inclusion Support Program and Inclusion Support Subsidy

The unique nature of family day care allows for the flexible provision of care for children with additional needs, due to a range of factors, such as small group size, home environment settings, and individualised care programming.

Evidence collated by Williamson (2010), taken from second wave Longitudinal Study of Australian Children (LSAC) data, indicates that 'one third of [family day care] providers were caring for at least one child with a disability or developmental delay.' Preliminary unpublished data from the FDCA Educators' Survey 2010-11 support this figure, indicating that 437 out of 1,337 educators (approximately 33%) care for at least one child with diagnosed additional needs. Utilising this data as a representative sample, the projected number of children with additional needs within family day care is significant.

Formal government programs have been implemented to assist family day care educators in facilitating adequate care structures for children with additional needs, such as the Inclusion Support Subsidy (ISS), regional Inclusion Support Agencies which incorporate Inclusion Support Facilitators. However, at times these programs/support structures are inadequate in fulfilling their function. The DEEWR ISS information page⁴ states that the Inclusion Support Subsidy;

is paid to child care services as a contribution towards the costs associated with including a child or children with ongoing high support needs in child care.... as a Capacity Payment to Family Day Care educators in recognition of the additional care and attention required by a child or children with ongoing high support needs in their care and the impact of this on the carer.

The Inclusion Support Program "assists child care services to include children with additional needs in child care. Under the Program, 67 regionally based Inclusion Support Agencies (ISAs) manage networks of skilled Inclusion Support Facilitators (ISFs) to work at a local level with child care services. ISFs assist child care services to build their skill base and capacity to include children with additional needs⁵".

While a significant proportion of educators receive training or information through their coordination units in relation to caring for children with additional needs, a considerable percentage (indicated through the FDCA Educators' Survey 2010-11) were not aware of ISAs and ISFs and their mandated role. This suggests that perhaps there are inadequate levels of communication between ISAs and the family day care sector in certain areas.

In September 2010, Family Day Care Australia asked the sector (through electronic survey) to provide feedback in relation to their experiences primarily with the ISS program, though also around inclusion support structures generally, to provide Family Day Care Australia with current information for a submission to the Department of Education, Employment and Workplace Relations. Family Day Care Australia received a number of responses pointing out flaws in the inclusion support system, primarily with the Inclusion Support Subsidy, rather than Inclusion Support

⁴<http://www.deewr.gov.au/EarlyChildhood/programs/ChildCareforServices/SupportFamilyCCS/Pages/InclusionSupportProgram.aspx>

⁵<http://www.deewr.gov.au/EarlyChildhood/programs/ChildCareforServices/SupportFamilyCCS/Pages/InclusionSupportProgram.aspx>

Agencies and Facilitators. The principal workforce-related issues that became apparent through this process were:

- The eligibility criteria has become increasingly restrictive, which has rendered a significant number of educators (who had previously had approval to access ISS) unable to continue accessing the subsidy. This can impact on the ability of such educators to continue providing care to children with additional needs, as the subsidy is often crucial to ongoing sustainability due to educators being unable to carry the full complement of children allowed under state regulations.
- There can be an excessive amount of 'red tape' for ISS applicants, which is a barrier to those initially applying and is particularly obstructive to reapplication for funding for those children with unchanging diagnosed additional needs.
- At times, there can be little interaction or partnerships between services providing education and care to children with additional needs.
- There can be a detrimental delineation between state and federal funding responsibilities for children with additional needs. A more collaborative approach between levels of government is necessary.

Family Day Care Australia has participated in a number of meetings with representatives from DEEWR in relation to the above issues, and will continue to work with the department to improve the facilitation of the ISS program.

Inter-sectoral partnerships and data collections

The flexibility of family day care can also allow children with additional needs greater access to specialised services, however, there is no industry-wide directive for inter-sectoral partnerships between service-type providers (that is, between ECEC, family support and allied health services). Greater levels of inter-sectoral partnerships would be not only beneficial for children with additional needs but would also be economically beneficial on a wider societal scale. A nationally consistent database for children with additional needs that can be accessed by regulated services and administered collaboratively between appropriate government departments (ie DEEWR, DHA, DHS, FaHCSIA) would be instrumental in more effective service delivery and partnerships between ECEC, allied health and family support services. As outlined by Sims' (2010) submission, this integration could largely be facilitated through a virtual hub.

What lessons can be learned from other countries?

The central purpose of the Productivity Commission is to act as:

the Australian Government's principal advisory body on all aspects of microeconomic reform. The Commission's work covers all sectors of the economy. It extends to the public and private sectors and focuses on areas of Commonwealth as well as State and Territory responsibility. The statutory functions of the Commission are to:

- *hold public inquiries and report on matters related to industry and productivity, including safeguard procedures*

- *advise the Treasurer on matters related to industry and productivity as requested*⁶

Given this role, the Productivity Commission should take heed of the precedent set by other OECD countries, in relation to the percentage of GDP spent on early childhood education and care services, and advocate to the Australian Government the benefits of increased spending on the ECEC sector. A report by the OECD (2010; 218) shows that Australia spends a mere 0.1 percent of its GDP on 'pre-primary education', placing Australia at the bottom of all OECD nations. This figure is particularly concerning given that the OECD average is 0.5 percent of GDP. While other factors may contribute to this figure, even if one were to allow a margin of error of 50 percent, Australia would still remain at the bottom of this table.

Greater spending on the ECEC sector can be considered a 'social investment strategy' (Esping Anderson, 2003 in Cass 2007) with long-lasting, intergenerational benefits, both economic and social.

The argument here is predicated on the well-substantiated international literature which demonstrates that good quality early childhood education and care services are of benefit in improving the social/emotional wellbeing, and cognitive development outcomes for all children, particularly for low income and disadvantaged children – an effect which recognises children both as present citizens whose wellbeing should be paramount and as future citizens with respect to the enhancement of their educational and employment participation, often called their human capital (Lister 2004, in Cass, 2007; 97).

While the Australian Government formally recognises the concept of 'human capital' and the long-term benefits of greater investment in early childhood education and care (as indicated by the COAG initiative *Investing in the Early Years – A National Early Childhood Investment Strategy*, 2009), this recognition is not necessarily reflected through funding.

Bretherton (2010b) states:

For child care to be affordable, costs for parents must remain low. Yet, care of children requires high staff numbers to maintain high care standards. In the past, many employers have relied on a pool of low-skilled, low-paid workers to fill vacancies. As a consequence, high levels of casual employment, high turnover, and limited career development have all become accepted industry norms.

There is, therefore, a paradox within ECEC systems, in that high quality outcomes for children are contingent on high cost inputs, yet costs for 'consumers' (ie parents) must remain low. The only logical resolution to this problem is greater government investment.

As Bretherton indicates (2010a; 14), the Australian system of funding for the ECEC sector is predominantly characterised by demand-side funding mechanisms, as opposed to many of the Nordic countries, which are characterised by supply-side mechanisms. This has initiated and perpetuated what may be termed a 'devaluing' of the crucial work done throughout the ECEC sector. While the Australian ECEC sector is, and has long been characterised by a mix of government, private for-profit and community-based not-for-profit providers, greater emphasis on supply-side funding mechanisms would assist in facilitating higher quality outcomes for children

⁶ <http://www.pc.gov.au/about-us/role>

(OECD, 2006). “The evidence suggests that direct public funding of services brings more effective governmental steering of early childhood services, advantages of scale, better national quality, more effective training for educators and a higher degree of equity in access compared with parent subsidy models” (OECD, 2006; 14).

Conclusion

While the issues outlined above are too complex and varied to be concisely summarised in one paragraph, it is clear that significant changes need to occur across the ECEC systems in conjunction with the shift away from ‘child care’ to ‘early childhood education and care’, if workforce development needs are to be adequately acknowledged and met. This begins with a shift in perception of the value and significance of the early years, and those who work within the ECEC sector. Elevating both the economic and social value of the work, which starts with increased public investment, should be priority for the Australian Government if it is to show true commitment to the National Childhood Development Strategy formulated and ratified by the Council of Australian Governments.

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