



Queensland Council  
of Social Service

*Submission to  
Productivity  
Commission's  
Draft Report*

*Inquiry into Childcare  
and Early Learning*

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## Introduction

The Queensland Council of Social Services (QCOSS) is Queensland's peak representative body for the community services sector. QCOSS represents approximately 600 member organisations working in a range of portfolios across Queensland.

QCOSS provides support for the work undertaken by member organisations to address the causes of poverty and disadvantage. A key part of this role is our engagement with the state and federal governments to secure better outcomes for vulnerable Queenslanders.

As the state-wide social services peak body, QCOSS has long supported investment in early childhood and advocated for a greater focus on prevention and early intervention.

In February 2014, QCOSS made a submission to the Productivity Commission's (the Commission's) Inquiry into Childcare and Early Childhood Learning. Many of the issues raised by QCOSS in this submission appear to have been addressed in the Draft Report.

However, QCOSS again welcomes an opportunity to respond to the Productivity Commission's Draft Report released in July 2014.

It is not intended in this submission to reiterate the policy matters raised in QCOSS' earlier submission. In this submission QCOSS focuses on what it considers to be the intended and unintended impacts and implications of proposed changes.

## The Queensland context

### The Commission's terms of reference

QCOSS concurs with the reasons for the Commission's Inquiry into the child care and early learning system.

The terms of reference for the Inquiry draw attention to the importance of adequate and quality early childhood education and care (ECEC) services which enable parents to participate in the workforce and achieve economic independence.

QCOSS is particularly focussed on the aspects of the Commission's terms of reference that draw attention to the current weaknesses in the ECEC system. This includes that:

- a significant number of children start school with learning and developmental delays
- there are shortfalls in reaching and properly supporting the needs of children with disabilities and vulnerable children
- the difficulties facing regional and rural families still need to be adequately addressed.

These terms of reference draw from the principles of both economic growth and social justice. QCOSS' view is that the economic outcomes sought from the ECEC system should not overshadow the positive longer term outcomes that can come from increased participation of vulnerable children in early childhood services.

As the Commission is aware, a significant number of Aboriginal and Torres Strait Islander communities reside in Queensland. In 2014, the estimated population is 203,000 people. Many communities reside in areas where the labour market is weak. The purpose of ECEC in remote and isolated communities includes early childhood development and learning.

One in five Queenslanders are born overseas, more than a third are either overseas born or have at least one parent born overseas. Queenslanders speak more than 220 languages and approximately one in 10 Queenslanders speaks a language other than English at home. Overseas migration continues to be the largest contributor to the State's growing population.

From 2011 to June 2014, almost 7,000 new humanitarian entrants have settled in Queensland (Department of Immigration and Border Protection, 2014). In May 2014, humanitarian settlement services were provided to approximately 2,000 new arrival humanitarian entrants in Queensland. In the March 2014 quarter, more than 27,000 overseas born people in Queensland received the Commonwealth Disability Support Pension (Department of Social Services, 2014).

In such a culturally and linguistically diverse and demographically dispersed state with large population groups in regions far from the capital city, ECEC is a significant contributing factor to both economic and social inclusion goals.

### **Co-ordination funding for integrated services**

QCOSS strongly supports the Commission's recommendation (5.2) that governments should plan for greater use of integrated ECEC services in disadvantaged communities to help identify children with additional needs (particularly at risk and developmentally vulnerable children) and ensure that the necessary support services, such as health, family support and any additional early learning and development programs are available.

In regional and rural areas of Queensland, the Queensland Government working in partnership with the non-government sector has increasingly implemented cross-portfolio integrated service delivery models.

This model of integrated service delivery has however demonstrated the need for ongoing co-ordination funding to provide leadership, maintain policies for collaboration, streamline regulatory procedures and guide inter-disciplinary practice at the service delivery level.

Further effective expansion of the existing integrated services already operating under a National Partnership Agreement (Indigenous Early Childhood Development Children and Family Centres) and the Multifunctional Aboriginal Children's Service funded through BBF) is supported.

The Queensland experience in integrated services has shown that particularly in disadvantaged communities, further planning is required to agree on a benchmark for the level of coordination funding required.

QCOSS also considers that at this stage ECEC services not be encouraged to take on coordination roles for integrated services given the significant reform that the industry will undergo with the implementation of the Commission's proposals for change.

### **Inclusion Support Program**

QCOSS notes with some concern the proposal that government block funding will cease to be provided to Inclusion Support Program (ISP) organisations that currently supply capacity building services to ECEC services where ECEC service providers require additional capacities for children with disability, children from culturally and linguistically diverse (CALD) backgrounds and Aboriginal and Torres Strait Islander children.

The Commission's proposal that it would be better for individual ECEC service providers to purchase these ISP services as required with grants they themselves apply for through the new ISP presents specific problems for the non-government sector in Queensland. The reasons for not supporting this new approach are that:

- it cannot be assumed that all services have or can attain 'cultural competence' through a one-off program of cross-cultural awareness training for staff
- it has taken many years to develop the specialist skills and best practice methods for transferring specialist skills to ECEC staff working with children with a disability and children from Indigenous and CALD backgrounds in both mainstream and bi-cultural settings
- specialist ISP providers have over years developed a specialist network and infrastructure through which to provide training and support to ECEC service providers across vast regional, rural and remote areas of Queensland
- to remove block funding from specialist ISP organisations and to require them to rely only on an open market approach, subject to the success of grant applications by their client ECEC service providers, will lead to loss of financial viability and concomitantly to loss of expertise in the ISP field.

### **Budget Based Funding (BBF) Program**

The Commission is aware of the findings of the recent review of the BBF Program (May 2014) which found that the program clearly plays an important role in the communities it operates in, particularly in regional and remote areas where it is the only child care or early learning service. The Commission will have noted the recommendations that BBF Program should not be seen as a permanent source of funding for all services, particularly where a community grows and other Child Care Benefit (CCB) approved or other childcare and early learning services are established in that area.

The review report emphasised that significant changes to the BBF Program would require a transition strategy. QCOSS concurs with the need for a staged approach. A staged approach would enable BBF services to implement the new requirements of the

National Quality Framework and also allow services sufficient time to consult effectively with families and communities.

Currently in Queensland a new initiative is working in partnership with BBF services under the quality reform process to meet qualification milestones. For example, this new initiative is implementing a community mentorship program to assist BBF Program staff to:

- engage and sustain their participation in upgrading early childhood qualifications
- develop a leadership network
- build and sustain a community development model which includes families, elders and inter-agencies of other support services.

QCOSS is concerned that the process of transition take account of the specific circumstances and situations of each BBF Program service and its community.

The Commission has proposed that children who currently benefit from BBF will be moved to a child based funding model (Early Care and Learning Subsidy (ECLS) or Special Early Care and Learning Subsidy (SECLS)) but only where there is a viable labour market.

The acknowledgement of the requirement to have viable labour markets as a precursor to ceasing BBF arrangements need to be considered with greater regard for what it means to live in an area with a viable labour market. Even in areas where it is considered to be a viable labour market, it cannot be assumed that Indigenous persons will have access to that market. It must be acknowledged that community disadvantage does not necessarily lessen for some groups in areas deemed to have viable labour markets.

But in those programs that do not transition out of BBF and remain block-funded, a review of co-payment families will be required. The criteria for this review has not yet been considered so it is difficult to predict impacts on disadvantaged families and communities at this stage. QCOSS recommends the need for further sector consultation and culturally sensitive approaches in developing this criteria.

### **Extension of school services to include preschool/kindergarten**

QCOSS notes the Commission's recommendation (12.9) that the Australian Government should negotiate with state and territory governments to incorporate their funding for preschool into the funding for schools and encourage extension of school services to include preschool.

As the Commission has noted, different arrangements exist across the various state and territory jurisdictions for preschool and kindergarten. In Queensland, a preparatory (prep) year is offered by all state primary schools prior to year one as part of the formal years of schooling (Prep to Year 12).

Kindergarten for 4-5 year olds is predominantly provided by the non-government sector through large, dispersed and diverse service infrastructure. Any discussions to change these arrangements would have significant impacts on the long term viability of non-government service providers and on the ECEC workforce in Queensland.

QCOSS notes that an advantage of bringing preschool/kindergarten into the administration of state schooling systems may be to strengthen universality and no cost access to preschool/kindergarten. However, such a change would bring significant upheaval to the community services sector, and the issue of universality of access and no cost for preschool/kindergarten can be addressed in other ways. This is discussed further below.

## **Impacts of proposed changes on vulnerable children and families**

There has been ample research and evaluation that points to the significant role of quality ECEC in the prevention and early intervention of social and educational disadvantage. The Commission's report acknowledges this as a point of principle.

However, in shaping its' recommendations and proposals, the Commission does not go far enough in proposing effective interventions for:

- children with a disability
- children at risk
- developmentally vulnerable children
- children from very low resource households
- disadvantaged communities (including Aboriginal and Torres Strait Islander, remote and humanitarian entrants to Australia from culturally and linguistically diverse backgrounds).

QCOSS supports the Commission's efforts to streamline and simplify what is currently an overly complex system of childcare subsidies and assistance, especially for disadvantaged families.

Despite this sound aspirational objective, the impacts of a number of proposed changes on some poor and vulnerable families are very concerning.

- It is proposed that eligibility for further assistance for children with disabilities and developmentally vulnerable children will be tightened. It is intended that 'capping' entry to this program will make additional funds available for those with higher needs. Children with a disability will be transitioned to SECLS and it is likely that many families currently in the program on the basis that their children are at risk because the families experience 'severe financial hardships' will be excluded. The selection criteria for entry to SECLS is not available for consideration.

- It is proposed that children with a disability who currently receive Inclusion Support Subsidy (ISS) payments to meet additional needs will also transition to SECLS and could receive more funding if they have a diagnosed disability. Information about the assessment tools to be used in determining diagnosis of disability is not provided. Diagnosis of disability in babies and very young children can take months and years to determine. Many children who have behavioural problems and learning difficulties are not always considered under certain assessment tools to have disabilities. However, the implications for their care and development and the impact on families can be just as significant.
- It is proposed that families using in-home care for children with a disability will transition across to SECLS and families who have been receiving in-home care at no cost may now have to partially fund the equivalent home-based care (HBC) unless they meet the new at risk criteria.

## **Impacts of proposed changes for service providers**

QCOSS supports the intention of the Commission to combine and streamline assistance types including Child Care Benefit (CCB), Child Care Rebate (CCR), Jobs Education and Training Child Care Fee Assistance (JETCCFA), and the Grandparent Child Care Benefit (GCCB) into a new system of benefits and to simplify processes for service providers and families.

QCOSS also supports the Commission's proposals to assist service providers towards becoming approved providers under the quality framework. However, QCOSS would be concerned if service providers such as nanny services and uncapped occasional care services were not allowed sufficient time and assistance to become approved providers.

QCOSS supports the Commission's proposal that the costs of coordinator services (that currently assist nanny services and family day care (FDC) educators) be recognised as a legitimate expense when providing assistance to service providers seeking approved provider status.

QCOSS notes that some FDC coordinating services operating on block funding will be ceased and that they will move to fee-based arrangements with FDC educators. QCOSS is supportive of recognising the fees paid by FDC educators to coordinators but would recommend guidelines on what might be deemed reasonable fees for coordinators.

QCOSS notes that service providers who have been regularly receiving Sustainability Assistance from the Community Support Program (CSP) will be required to transition to the Viability Support Program within two years. QCOSS supports the proposal to transition assistance in this way but is concerned that a defined deadline of two years for all providers in all communities, especially in rural and remote regions, may not be sufficient time within which to develop a viable business model, especially where that ECEC service provider is the only service option available to that community.

## **Impacts of proposed changes for workforce development**

The proposal to relax the qualification of staff working with younger children less than three years of age, all the while retaining a 50:50 ratio of Certificate III to Diploma qualified

staff in the service may remove some pressure from service providers, allowing them to have a slightly different mix of staff and potentially reducing staff costs. However, some further consideration of such a change is required.

Industry advocates will consider a reduction in quality standards for childcare and early learning to undermine positive developments in the ongoing commitment to the professionalisation of the industry. For example, the unintended consequences of this change may:

- be seen by consumers to lessen care and safety measures for younger children
- be considered by the industry educators to compromise the quality of learning for children
- impact an already positive trajectory towards professionalisation of the industry.

On the other hand, service providers may welcome greater flexibility in the range of qualifications deployed across the service and the ability this may give them to develop viable business models. Such a change, may create greater opportunities for re-directing costs of child care and learning from infrastructure costs to provide further assistance to disadvantaged families and communities.

QCOSS continues to support the increasing professionalisation of the industry to provide high quality ECEC. There should be no resiling from the intentions and requirements of the National Quality Framework.

Ideally for preschools and kindergartens working with four to five year olds, staff should require more than a Certificate III to provide high quality learning programs. Certificate III training provides only the foundations of early childhood learning such as how to maintain a healthy and safe environment, why cultural competence is important, what programming is, that it is the role of the educational leader of staff to undertake the programming, the importance of working with families, and that there are legal and regulatory contexts for this work.

The diploma course is more comprehensive and requires the development of critical thinking skills with which to undertake an assessment of the child's developmental needs and plan the learning activities program. The value of bachelor degrees in early childhood education should also be considered in the planning and development of the workforce for ECEC.

For these reasons QCOSS does not support the Commission's recommendation (7.9) that dedicated preschools be removed from the National Quality Framework and be regulated by State and Territory governments albeit the intention of this proposal may have been intended as a strategy for increasing the number of degree qualified teachers available to preschool/kindergarten for four to five year olds.

### **Universal access to no cost kindergarten (four-five year olds)**

For some families experiencing financial hardships, universal access to no cost preschool/kindergarten is not achieved through the current proposals put forward by the

Commission. QCOSS re-iterates its support of the National Partnership Agreement on Universal Access to early Childhood Education which states that:

*“This agreement supports Universal Access to and improved participation by children in quality early childhood education in the year before full time school, with a focus on vulnerable and disadvantaged children” (COAG 2013).*

Feedback from the sector indicates that for women participating in labour force training and re-entry to the workforce, the longer hours of Long Day Care (LDC) are required. Kindergarten hours of a maximum of 15 hours per week are insufficient. Kindergarten is less likely to meet the economic imperatives for ECEC than LDC.

Kindergarten should be seen predominantly as a necessary addition to children’s cognitive and social development and their readiness for later participation in the institutional schooling experience.

Evaluations of programs targeting vulnerable families to increase participation of their children in kindergarten will show that the cost of programs has remained a barrier to participation. Even for families who are able to access the full set of subsidies available through Centrelink, the remaining costs to families have been prohibitive.

For this reason QCOSS recommends no cost access to Kindergarten for all children without the requirement of activity tests for parents. Short and long term benefits would accrue from such a policy including:

- savings in administration through Centrelink
- savings in administration and reporting by service providers
- increased participation by vulnerable children in Kindergarten
- an effective transition for vulnerable children and their families to the school environment.

## **A new language**

The reform of the ECEC system in Australia provides us with an opportunity to update the language that we use to describe programs that target vulnerable children, families and communities.

In the education sector it has been several decades now that the terminology of ‘disadvantaged schools’ and ‘disadvantaged communities’ have been discontinued from use in the nomenclature of funding programs in order to reduce social stigma in those families and communities.

QCOSS recommends that a more progressive, alternative name for the Disadvantaged Communities Program should be, for example, the Community Equity Program.