

## **Response to Productivity Commission Draft Report Childcare and Early Childhood Learning Catholic Education in Western Australia**

Catholic Education in Western Australia (CEWA) is a major provider of early learning and care services across the State operating services under both the Education and Care Services National Law (WA) Act 2012 and School Education Act 1999 in metropolitan, rural and remote communities. Service provision includes long day care, outside school hours care, kindergarten (pre-school) and pre-kindergarten programs. Pre-primary, year one and year two classrooms are also considered under the early childhood learning banner.

CEWA is committed to the provision of quality education and care services in order to deliver quality outcomes for children, particularly those who are marginalised, as well as to support parents and other care providers in their parenting role.

### **Families using mainstream services – improving the accessibility, flexibility and affordability**

#### **Draft recommendation 12.2**

*The Australian Government should combine the current Child Care Rebate, Child Care Benefit and the Jobs Education and Training Child Care Fee Assistance funding streams to support a single child-based subsidy, to be known as the Early Care and Learning Subsidy (ECLS). ECLS would be available for children attending all mainstream approved ECEC services, whether they are centre-based or home-based.*

CEWA supports the combination of current Child Care Rebate and Child Care Benefit and JET Child Care Fee Assistance into a single child based subsidy for children attending ECEC services operating under an approved legislative framework.

Providing a single stream funding model will reduce administration commitments for ECEC staff allowing them to focus on other aspects of service provision. A single funding model will also create a less confusing process for parents. It is our experience that services currently spend significant amounts of time supporting parents to understand their statement.

#### **Draft recommendation 12.4**

*The Australian Government should fund the Early Care and Learning Subsidy to assist families with the cost of approved centre-based care and home-based care. The program should:*

- *assist with the cost of ECEC services that satisfy requirements of the National Quality Framework*
- *provide a means tested subsidy rate between 90 per cent and 30 per cent of the deemed cost of care for hours of care for which the provider charges*

- ***determine annually the hourly deemed cost of care (initially using a cost model, moving to a benchmark price within three years) that allows for differences in the cost of supply by age of child and type of care***
- ***support up to 100 hours of care per fortnight for children of families that meet an activity test of 24 hours of work, study or training per fortnight, or are explicitly exempt from the criteria***
- ***pay the assessed subsidy directly to the service provider of the parents' choice on receipt of the record of care provided.***

CEWA supports access to the proposed early learning and care subsidy (ELCS) for families accessing a service that satisfies the requirements of the National Quality Framework as well as those services operating under the School Education Act 1999 and applying the requirements of the National Quality Standard.

CEWA would like to see access to the ELCS payment extended to include ECEC in offered in schools prior to the kindergarten (preschool) year. These programs currently attract no funding from either State or Federal government. 100% of costs are met by parent fees with no tax rebate or CCB applicable. Failure to attract CCB makes these services non-viable in low socio-economic communities.

CEWA urges that consideration be given to level of service provision when determining an hourly-deemed cost of care. For example services that offer nutritionally balanced meals prepared by a qualified food preparation person will have higher costs than a service where families are required to supply their own meals. Similarly services that employ cleaners on a daily basis freeing educators up for quality interactions with children will have higher costs than one where educators conduct all of the cleaning duties of the service.

CEWA supports payment of subsidies directly to the parent's service, or services, of choice. Under the current system families are able to receive subsidies without having paid their child care fee. This model creates a platform for parents to get into debt and for centre's to be left out of pocket or needing to follow up parent debt.

### **Draft recommendation 12.3**

***The Australian Government should exempt non-parent primary carers of children, and jobless families where the parents are receiving a Disability Support Pension or a Carer Payment from the activity test. These families should still be subject to the means test applied to other families.***

CEWA supports the participation of all children from disadvantaged backgrounds in quality ECEC services. Investing in the Early Years – A National Early Childhood Development Strategy 2009 expresses ongoing concern about children who live in families with a high risk of intergenerational disadvantage such as those from jobless families, some Indigenous children and children involved in the child protection system. The report also highlights the principle of enhancing positive factors and reducing risks for children. Research supports the participation by children from disadvantaged families in quality ECEC programs not only to improve child outcomes but also to reduce the need for intervention later in life. The EPPE study results suggest that high quality preschool services can ameliorate the effects of social disadvantage.

#### **Information request 12.4**

*The Commission seeks information on the best approach to setting and updating the deemed cost of ECEC services. In addition, information on the cost premiums of providing services in different locations, to different ages, and in meeting different types of additional needs is sought.*

CEWA requests consideration is given to actual wages rather than award rates as many services are paying above award rates in order to attract quality staff. Also consider additional costs of employing and housing staff in some rural and remote locations. In Western Australia the costs of living is high and should be taken into consideration when determining a deemed cost.

CEWA urges that consideration also be given to level of service provision when determining an hourly deemed cost of care. For example services that offer nutritionally balanced meals prepared by a qualified food preparation person will have higher costs than a service where families are required to supply their own meals. Similarly services that employ cleaners on a daily basis freeing educators up for quality interactions with children will have higher costs than one where educators conduct all of the cleaning duties of the service. These services are not considered to be additional programs for children but essential services for quality service provision focused on the needs of children and families.

#### **Information request 12.5**

*The Commission seeks information on the impact that removing the current free access of up to 50 hours a week to ECEC services for eligible grandparents will have on them and the children for whom they care.*

CEWA supports continued provision of free access to child care for grandparents on a means tested basis. Due to societal changes there is a noticeable increase in grandparents caring for their grandchildren. Parenting young children can be physically and emotionally demanding and some grandparents struggle with the demands of caring for young children.

Numerous studies link care of grandchildren with poorer health outcomes for grandparent carers. Studies also link grandparent care with poorer outcomes for children.

According to the Alliance for Children's Rights the ill-health and poor financial position of grandparents can limit their ability to supervise children, transport them to activities or access services including health screening.

Anecdotal evidence suggests that many grandparents caring for grandchildren are already disadvantaged financially and withdrawal of free access to child care may result in an inability to seek respite and support as required.

#### **Draft recommendation 8.3**

***The Australian Government should abolish operational requirements that specify minimum or maximum operating weeks or hours for services approved to receive child-based subsidies.***

CEWA supports the removal of minimum and maximum operating hours for services approved to receive child care subsidies however there is concern that this may result in children in care for extended hours. It is recommended that maximum claimable hours for ECLS remain capped at 50 hours per week.

**Draft recommendation 8.5**

***Governments should allow approved nannies to become an eligible service for which families can receive ECEC assistance. Those families who do not wish their nanny to meet National Quality Standards would not be eligible for assistance toward the costs of their nanny.***

***National Quality Framework requirements for nannies should be determined by ACECQA and should include a minimum qualification requirement of a relevant (ECEC related) certificate III, or equivalent, and the same staff ratios as are currently present for family day care services.***

***Assessments of regulatory compliance should be based on both random and targeted inspections by regulatory authorities.***

Rather than remove the in-home care category of approved care as proposed in draft recommendation 8.6, CEWA would support the expansion of this category of care to incorporate nanny care. By altering the eligibility requirements, in home care could be provided to families outside the existing criteria.

CEWA does not support the subsidy of nanny care as it is currently provided with limited checks and balances either on the provider or the home in which it is provided. It is CEWA's position that nanny care (in home care) should be limited to children living in the home where care is provided. Care should not be provided to children from multiple families by one care provider. Care for children from multiple families would be equivalent to family day care and should meet all of the requirements of a family day care provider as to do this would make the service equivalent to family day care.

**Additional needs children and services – improving the accessibility, flexibility and affordability**

**Draft recommendation 12.6**

***The Australian Government should establish three capped programs to support access of children with additional needs to ECEC services.***

- *The Special Early Care and Learning Subsidy would fund the deemed cost of meeting additional needs for those children who are assessed as eligible for the subsidy. This includes funding a means tested proportion of the deemed cost of mainstream services and the 'top-up' deemed cost of delivering services to specific groups of children based on their needs, notably children assessed as at risk, and children with a diagnosed disability.*
- *The Disadvantaged Communities Program would block fund providers, in full or in part, to deliver services to specific highly disadvantaged community groups, most notably Indigenous children. This program is to be designed to transition recipients to child-based funding arrangements wherever possible. This program would also fund coordination activities in integrated services where ECEC is the major element.*
- *The Inclusion Support Program would provide once-off grants to ECEC providers to build the capacity to provide services to additional needs children. This can include modifications to facilities and equipment and training for staff to meet the needs of children with a disability, Indigenous children, and other children from culturally and linguistically diverse backgrounds.*

CEWA has a mandate/commitment to support marginalised members of the community including children with disabilities, Aboriginal and Torres Strait children and children from culturally and linguistically diverse backgrounds.

Eligibility requirements would have to be clarified before supporting this recommendation however CEWA would welcome the introduction of additional funding in addition to family's ECLS to support the inclusion of disadvantaged children and other children with additional needs.

A deemed "top up" cost would need to be a tiered take into consideration the level of care or support required. Some children can be fully included in a program with minor adjustments to the physical environment or resources while others will require the support of a dedicated educator to support their inclusion.

It is recommended that the application for special ECLS be included on ECLS application to reduce administrative burden for families and services.

CEWA welcomes the recommendation for Inclusion Support Grants but would ask that consideration be given for opportunities for additional grant applications as children grow and develop and their needs and abilities change. This is of particular importance in integrated care services where children may enter care as an infant and continue through until the end of their primary schooling.

#### **Draft recommendation 12.7**

***The Australian Government should continue to provide support for children who are assessed as 'at risk' to access ECEC services, providing:***

- ***a 100 per cent subsidy for the deemed cost of ECEC services, which includes any additional 'special' services at their deemed cost, funded from the Special Early Care and Learning Subsidy program***
- ***up to 100 hours a fortnight, regardless of whether the families meet an activity test***
- ***support for initially 13 weeks then, after assessment by the relevant state or territory department and approval by the Department of Human Services, for up to 26 weeks.***

***ECEC providers must contact the state or territory department with responsibility for child protection within one week of providing a service to any child on whose behalf they apply for the 'at risk' Special Early Care and Learning Subsidy. Continuation of access to the subsidy is to be based on assessment by this department, assignment of a case worker, and approval by the Department of Human Services. The Australian Government should review the adequacy of the program budget to meet reasonable need annually.***

CEWA supports the 100% subsidy of up to 100 hours of education and care for children deemed at risk in order to provide a safe environment for children, to provide an opportunity to develop secure attachments with trusted adults outside the home and to provide an opportunity for positive life outcomes. "Exposure to ongoing stress and traumatic events such as abuse and neglect can have severe impacts of the nervous system's response to stress for the rest of a child's life. This has consequences for a child's future learning, behaviour, and physical and mental health, as well as significant costs to society (Investing in the Early Years – A National Childhood Development Strategy, COAG, 2009).

Any assessment following the initial 13 week period should be non-intrusive for the family and service and should not impose additional burden on the service provider. No additional applications or approvals should be required to be submitted by the service following initial the application and approval.

#### **Draft recommendation 12.8**

***The Australian Government should continue to provide support for children who have a diagnosed disability to access ECEC services, through:***

- ***access to the mainstream ECEC funding on the same basis as children without a disability and up to a 100 per cent subsidy for the deemed cost of additional ECEC services, funded from the Special Early Care and Learning Subsidy***
- ***block funded support to ECEC providers to build the capacity to cater for the needs of these children, funded through the Inclusion Support Program.***

***The relevant Government agency should work with the National Disability Insurance Agency and specialist providers for those children whose disability falls outside the National Disability Insurance Scheme, to establish a deemed cost model that will reflect reasonable costs by age of child and the nature and extent of their disability. Based on an assessment of the number of children in need of this service, and the costs of providing reasonable ECEC services, the Australian Government should review the adequacy of the program budget to meet reasonable need annually.***

CEWA has a mandate/commitment to support marginalised members of the community including children with disability. We believe that all children in Western Australia have an equal right to an appropriate and inclusive education including ECEC services. The organisation promotes best educational practices to enhance access, participation and learning outcomes for children with disability.

CEWA would welcome the financial support to include children with a diagnosed disability into our approved services and to pre-kindergarten programs that currently receive no financial support either directly to the service or through benefits to parents. Parents who choose a pre-kindergarten program operated in a school under the School Education Act 1999 in Western Australia currently receive no assistance and are responsible for the full costs of service provision.

#### **Draft recommendation 5.2**

***Governments should plan for greater use of integrated ECEC and childhood 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.***

CEWA does not believe the planning for greater use of integrated services is solely the responsibility of Government. CEWA is strongly committed to the use of Catholic schools across Western Australia as hubs for integrated service provision. Initial work has been done to identify communities of greatest need utilising available data such as AEDC (formally AEDI) results, ABS 2011 Census data including general population data and Socio Economic Index for Areas (SEIFA) data.

Research demonstrates clearly that investing in quality early years services is crucial. Whilst there is access to some universal provision of early years education and care there remains some members of society that struggle to access quality services. Funding should be channeled toward the vulnerable and marginalised.

CEWA supports the strengthening and support of communities through greater access to necessary services for children and their families. Integrated service delivery should allow for a single access point to reduce administrative burden on families and service providers.

CEWA would welcome access to funding to support the development of these services.

## **Information request 8.2**

*The Commission is seeking feedback on the role that integrated services can play in making ECEC more accessible for families. In particular, the Commission is interested in:*

- the extent to which integrating ECEC services with other family services and schools will deliver benefits to families and/or ECEC providers, and in particular, Indigenous and potentially other disadvantaged communities*
- views on the best way to fund integrated services that provide ECEC, including whether child-based funding would be an appropriate funding model*
- how funding could be apportioned across activities operating within an integrated service, including for the coordination of services, the management of administrative data and an evaluation of outcomes.*

CEWA recognises that investing in quality early years services is crucial. In addition to direct service delivery to children, integrated services provide the opportunity to work with parents, carers and families to improve outcomes for children. This is considered to be important as the quality of the home learning environment has been demonstrated to be of importance for social and intellectual development.

The provision of complementary services including playgroups, parenting groups or programs, occasional care, outside school hours care, allied health services and other community based services within each school or ELCC provides the opportunity for children and families to access a range of services in one location.

The integration of service delivery brings together a variety of disciplines and services to form a more comprehensive model of service delivery underpinned by a common purpose. Organisations that may otherwise be autonomous, can work together to deliver specific outcomes for children and families. An integrated service model has the potential to reduce duplication of services and enable sharing of resources.

## **Draft recommendation 12.5**

***The Australian Government should establish a capped 'viability assistance' program to assist ECEC providers in rural, regional and remote areas to continue to operate under child-based funding arrangements (the Early Care and Learning Subsidy and the Special Early Care and Learning Subsidy), should demand temporarily fall below that needed to be financially viable. This funding would be:***

- accessed for a maximum of 3 in every 7 years, with services assessed for viability once they have received 2 years of support***
- prioritised to centre-based and mobile services.***

CEWA supports a viability assistance program to support the ongoing operation of centre based services, including outside school hours care services and mobile care services in some regional and remote areas. We do not agree that this viability

assistance should be applied in regional centres with large populations or where multiple services exist and where viability is challenged by competition rather than by low numbers and high operating costs.

Quality ECEC services are recognised as having both long and short term benefits for children as well as supporting the workforce participation of parents. These benefits are similar for families living in rural and remote locations as those living in metropolitan and regional centres. It is the position of CEWA that children have a right to access quality ECEC services irrespective of the location in which they live.

#### **Information request 12.6**

*What is the case for the Australian Government funding startup capital or ongoing operational support for mainstream ECEC services in rural, regional and remote communities?*

Quality ECEC services are recognised as having both long and short term benefits for children as well as supporting the workforce participation of parents. These benefits are similar for families living in rural and remote locations as those living in metropolitan and regional centres.

Start up and operational costs are often much higher in rural and remote locations and financial viability additionally challenged by a limited or transient population base.

CEWA supports the concept of start up funding in rural and remote locations where the service is to be operated by a not for profit entity. This support is in recognition of the educational and life benefits for children and as a workforce participation measure for families. It does not support this funding where a viable service already exists or where a service is set up in direct competition to an existing service.

### **Pre-school supporting universal access**

#### **Draft recommendation 12.9**

***The Australian Government should continue to provide per child payments to the states and territories for universal access to a preschool program of 15 hours per week for 40 weeks per year. This support should be based on the number of children enrolled in state and territory government funded preschool services, including where these are delivered in a long day care service.***

***The Australian Government should negotiate with the state and territory governments to incorporate their funding for preschool into the funding for schools, and encourage extension of school services to include preschool.***

In Western Australia most kindergarten services are provided by the schooling sector under the School Education Act 1999. CEWA provides these preschool services through 130 schools across the state.

The WA State government has provided 11 hours per week of preschool funding since the early 1990's to State government preschools. Catholic and independent schools are funded for 75% of 11 hours, the remainder is funded through parent fees. No subsidy is available to parents or the school on these fees. Since the introduction of the 15 hours Universal Access funding for preschool, all sectors, government, Catholic and independent, receive the additional 4 hours per child payments from the federal government via the State government.

Without the continuation of the Universal Access funding for preschool from the federal government CEWA would not be able to provide the full 15 hours.

#### **Draft recommendation 12.10**

***The Australian Government should provide per child preschool payments direct to long day care services for 15 hours per week and 40 weeks per year, where long day care services do not receive such funding from the states and territories.***

Currently long day care services in WA do not receive Universal Access funding.

#### **Information request 5.1**

*What are the optimal hours of attendance at preschool to ensure children's development and what is the basis for this?*

The EPPE study suggests the quantity of quality early ECEC services received is influential on outcomes to children. The EPPE study does not quantify a specific number of hours but suggests it is length of time attended (months) rather than the number of hours or days per week that is most influential. Full time attendance was shown to lead to no better gains for children than part-time provision. An earlier start is also related to better intellectual development.

CEWA recognises that children's developmental outcomes are also strongly influenced by the care and education provided in the home and is not solely dependent upon preschool attendance.

As such there is no specific stance on optimal hours at this time. It should be noted however that CEWA is supportive of the current universal access provision of a minimum of 15 hours of kindergarten per week.

#### **Draft recommendation 5.1**

***Payment of a portion of the Family Tax Benefit Part A to the parent or carer of a preschool aged child should be linked to attendance in a preschool program, where one is available.***

CEWA does not support linking Family Tax Benefit Part A to attendance in a preschool program unless the portion is an additional, supplementary payment to Family Tax Benefit A provided to encourage attendance. While CEWA recognises the benefit of children attending a quality early year's program compulsory attendance is not mandated. Families are considered to be the first and foremost educators of their children in the early years and should have the opportunity to access programs that they consider to be most suitable for their child and relevant to the community in which they live.

#### **Draft recommendation 7.9**

***Dedicated preschools should be removed from the scope of the National Quality Framework and regulated by state and territory governments under the relevant education legislation. The quality standards in state and territory education legislation should broadly align with those in the National Quality Framework. Long day care services that deliver preschool programs should remain within the National Quality Framework.***

In Western Australia preschool services (kindergarten) are provided in schools under the School Education Act 1999. The Western Australian Government has recently introduced the National Quality Standard (NQS) component of the NQF across the early years of schooling from pre-kindergarten to year two in recognition of the importance of quality education and care across the early years. CEWA strongly supports the introduction and continuation of this quality measure in the schooling sector.

CEWA would support the inclusion of NQS provisions within the education legislation for this State but would like to see them closely aligned with current standards rather than broadly aligned as suggested in this recommendation.

#### **Information request 12.10**

*The Commission seeks views on how best to transition to full state and territory responsibility for preschool delivered in long day care services as well as in dedicated preschools. This includes a transition to the provision of preschool at no cost to parents, in those dedicated preschools attached to public primary schools.*

It is the view of CEWA a transition to state responsibility for preschool funding will require adequate lead in time.

CEWA would be concerned that a move from federal to State funding may result in a reduction back to the 11 hours of ECEC provided in Western Australia prior to the introduction of the Federal Government's universal access provisions.

This would result in either a reduction of provision or in schools passing increased costs onto parents. It is the parents of our most vulnerable and disadvantaged children, the children who research shows benefit most substantially from participation in ECEC programs, who will be least able to absorb increase fees and in some instances may result in withdrawal from the program.

**Outside school hours care – improving the accessibility, flexibility and affordability**

#### **Draft recommendation 7.4**

***Governments should develop and incorporate into the National Quality Framework a nationally consistent set of staff ratios and qualifications for those caring for school age children in outside school hours and vacation care services. These requirements should take into consideration ratios that are currently acceptable for children during school hours, the uncertainty surrounding the additional benefits of more staff and higher qualifications, and the valuable contribution that can be made to outside school hours care services by less qualified older workers and university/TAFE students.***

CEWA supports the introduction of a nationally consistent ratio and qualifications only where current Western Australian standards set the benchmark.

In Western Australia outside school hours care services cater for children from kindergarten age until the end of primary schooling. Services currently operate at a ratio of 1:13 unless kindergarten age children are in attendance. When kindergarten children are in attendance a ratio of 1:10 is applied. The 1:10 ratio is consistent to the ratios applied in kindergarten and long day care programs for children of this age.

CEWA does not support the application of ratios currently acceptable for children during school hours into OSHC programs. In Catholic schools the ratio for children year 1 upwards is generally 1:30.

School programs are generally structured with most students of the same or similar age involved in the same or similar tasks throughout the day. In the playground during recess and lunch adult and child interactions are generally about safety and supervision rather than relationship building. In OSHC the program varies significantly from the program children experience during the school day. In addition to the varied age and developmental stages of children, quality OSHC programs take opportunities to expose children to wide-ranging learning experiences. There is a growing body of evidence to suggest that it is important children are exposed to risk. Quality OSHC programs provide children with opportunities to explore risk-taking behaviours through challenging activities in a relatively safe environment. Necessarily this requires a higher staff to child ratio than during the school day.

Importantly many children are spending increasing numbers of hours away from the family home. Well-qualified and skilled educators are able to support children and build meaningful and supportive relationships. A reduction in ratios would reduce the ability for the one on one and small group activities that support children and encourage the development of trusting relationships.

In Western Australia OSHC programs can be supervised by a Certificate IV qualified educator. There is currently no requirement for an early childhood teacher or 50% diploma qualified staff as there is in LDC. Qualifications are accepted from a wide range of disciplines. CEWA supports the retention of the current qualification requirements in WA.

#### Draft recommendation 8.1

***The Australian Government should ensure that the requirement (currently contained within the Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Determination 2000) for most children attending an outside school hours care service to be of school age, is removed and not carried over into any new legislation.***

CEWA does not support the removal of the requirement for most children attending OSHC to be of school age. OSHC has lower ratios and staff qualifications than LDC.

CEWA believes that only children attending an educational program as defined by the School Education Act 1999 should be able to attend an OSHC service.

#### Draft recommendation 8.2

***State and territory governments should direct all schools to take responsibility for organising the provision of an outside school hours care service for their students (including students in attached preschools), where demand is sufficiently large for a service to be viable.***

CEWA recognises the importance of forming strong communities around the children in our schools and supports the development of OSHC services on school premises where there is sufficient interest from the school community and viability can be established.

CEWA currently support various options of OSHC provision for their students. Some have approved services for which they are the service provider, some outsource to private providers on school grounds and others have outside providers transport children to services off site.

### **Removal of ECEC assistance to some providers**

#### Draft recommendation 5.3

***Australian Government ECEC funding should be limited to funding approved ECEC services and those closely integrated with approved ECEC services, and not be allocated to fund social services that largely support parents, families and communities. Any further Australian Government support for the HIPPY program should be outside of the ECEC budget allocation.***

CEWA supports the funding of social and family support programs however is of the opinion that these programs should be funded outside of the ECEC budget allocation.

#### Draft Recommendation 8.6

***The Australian Government should remove the In-Home Care category of approved care, once nannies have been brought into the approved care system.***

CEWA does not support this recommendation. It is recommended that any changes to nanny provision be brought under this category of approved care.

#### **Draft recommendation 10.1**

***In line with the broad level recommendations of the Productivity Commission's 2010 study into the Contribution of the Not for Profit Sector, the Australian Government should remove eligibility of not-for-profit ECEC providers to Fringe Benefit Tax exemptions and rebates.***

***State and territory governments should remove eligibility of all not-for-profit childcare providers to payroll tax exemptions. If governments choose to retain some assistance, eligibility for a payroll tax exemption should be restricted to childcare activities where it can be clearly demonstrated that the activity would otherwise be unviable and the provider has no potential commercial competitors.***

CEWA does not agree to the removal of Fringe Benefits Tax exemptions and rebates due to:

1. If there are benefits being provided to staff then the removal will result in a higher FBT liability for the centre.
2. This would also have the effect of removing a benefit of employment for staff who are already in a relatively low paying industry. Providing benefits to staff assists childcare providers to attract staff that they might not otherwise be able to attract.

CEWA does not support the removal of the payroll tax exemptions as this would have the effect of increasing the operating costs of this already marginally viable business.

#### **Draft recommendation 12.1**

***The Australian Government should remove section 47(2) from the Fringe Benefits Tax Act 1986, that is, the eligibility for Fringe Benefit Tax concessions for employer provided ECEC services. It should retain section 47(8), which enables businesses to purchase access rights for children of their employees without this being considered an expenditure subject to the Fringe Benefits Tax.***

With many ECEC services already experiencing viability issues it is considered that the removal of FBT concessions and rebates to not for profit ECEC providers with result in more such centres experiencing viability concerns potentially resulting in higher unemployment.

CEWA does not support the removal of section 47(2) from the Fringe Benefits Tax Act 1986.

CEWA does support the retention of section 47(8) from the Fringe Benefits Tax Act 1986.

## **Quality assurance processes and regulation of ECEC**

### **Draft recommendation 7.8**

***Governments should extend the scope of the National Quality Framework to include all centre and home based services that receive Australian Government assistance. National Quality Framework requirements should be tailored towards each care type, as far as is feasible, and minimise the burden imposed on services.***

The National Quality Framework is based on sound research in regard to quality outcomes to children in the early years. CEWA supports the extension of the framework for all centre and home based services.

### **Draft recommendation 7.1**

***To simplify the National Quality Standard, governments and ACECQA should:***

- ***Identify elements and standards of the National Quality Standard that can be removed or altered while maintaining quality outcomes for children***
- ***tailor the National Quality Standard to suit different service types — for example, by removing educational and childbased reporting requirements for outside school hours care services.***

The National Quality Standard is informed by extensive research and outlines practices that support and promote children's learning. The standards are linked to the national learning frameworks. CEWA does not support the removal or watering down of any of the standards for long day care services. In recognition of the recreational nature of OSHC, CEWA would support minor amendments to the NQS for this service type.

### **Draft recommendation 7.2**

***Requirements for educators in centre-based services should be amended by governments such that:***

- ***all educators working with children aged birth to 36 months are only required to hold at least a certificate III, or equivalent***
- ***the number of children for which an early childhood teacher must be employed is assessed on the basis of the number of children in a service aged over 36 months.***

CEWA strongly disagrees with both parts of this recommendation. While many Certificate III qualified educators demonstrate quality practice in implementing routine experiences they do not generally hold sufficient knowledge in regard to child development or pedagogical practice to lead quality ECEC programs.

It is well documented that the brain development in the first three years of life is critical to developing strong pathways. This develop is crucial for later life outcomes including, health, education, employment etc. Educators require a strong grasp of the appropriate pedagogy for children's understanding and interests to fully develop (EPPE)

In addition to quality outcomes from young children, the presence of a qualified teacher as an educational leader within the service serves to develop and challenge the skills of less qualified educators.

### **Draft recommendation 7.3**

***Differences in educator-to-child ratios and staff qualification requirements for children under school age across jurisdictions should be eliminated and all jurisdictions should adopt the national requirements.***

CEWA does not support this recommendation. Should nationally consistent ratio and qualification requirements be applied these should be based on the requirements in the Western Australian legislation not the current national requirements.

Western Australia has held the current educator to child ratios since the 1990's and viability has been maintained across the majority of services despite the higher requirements. Anecdotal evidence suggests that Western Australian child care fees are not the highest in Australia despite having higher educator to child ratios than many states.

### **Draft recommendation 7.5**

***To provide services with greater flexibility to meet staffing requirements, ACECQA should:***

- ***remove the requirement that persons with early childhood teacher qualifications must have practical experience for children aged birth to twenty four months***
- ***explore ways to make the requirements for approving international qualifications simpler and less prescriptive in order to reduce obstacles to attracting appropriately qualified educators from overseas.***

***All governments should allow services to temporarily operate with staffing levels below required ratios, such as by maintaining staffing levels on average (over a day or week), rather than at all times.***

***The New South Wales and South Australian Governments should allow a three month probationary hiring period in which unqualified staff may be included in staff ratios before beginning a qualification, as was recently adopted in all other jurisdictions.***

CEWA does not support the removal of the requirement that persons with early childhood teacher qualifications working with children from birth to two years of age to have practical experience for children ages birth to 24 months.

Early childhood teachers who do not have this practical experience as part of their qualification should still continue to be employed in other areas of the LDC.

#### **Draft recommendation 7.6**

##### ***Governments and ACECQA should:***

- ***urgently reconsider the design of the assessment and ratings system, giving particular consideration to finding ways to increase the pace of assessments***
- ***explore ways to determine services' ratings so they are more reflective of overall quality***
- ***abolish the 'Excellent' rating, so that 'Exceeding National Quality Standard' is the highest achievable rating.***

CEWA supports the current quality assurance and assessment and rating system and has no concerns at this time about the pace of assessments.

Where a service is meeting in most quality areas but receives a rating of working toward the documentation and my child website should reflect strengths.

There is some concern that the additional payment required to obtain a rating of excellent will result in small community managed and home based services being unable to afford the additional assessment cost meaning that an excellent rating would be limited to those who could afford it.

#### **Draft recommendation 7.7**

##### ***Governments, ACECQA and regulatory authorities, as applicable, should:***

- ***abolish the requirement for certified supervisor certificates***
- ***provide more detailed and targeted guidance to providers on requirements associated with Quality Improvement Plans, educational programming, establishing compliant policies and procedures and applying for waivers***
- ***explore potential overlaps between the National Quality Framework and state and local government requirements as part of the ongoing review of the Framework, and ensure any identified overlaps are eliminated***
- ***review:***
  - ***ways that services with higher ratings ('Exceeding National Quality Standard') could be relieved of some paperwork requirements, where these are less important to ensuring quality given the service's compliance history***

- ***removing the requirement for outside school hours care services operating on school facilities to provide site plans as a condition of service approval.***

CEWA does not support the abolition of the requirement for certified supervisors. The role of nominated supervisor clarifies responsibility for the day to day operation of a service and the certified supervisor certificate provides portability to the nominated supervisor role. This portability provides reduced work load for services during times of staff transition.

CEWA finds the documentation and guides provided by ACECQA to be invaluable resources and would welcome guidance in other areas. There is always concern when targeted guidance is provided by a regulatory authority that the format is taken as prescriptive and individuality of service provision based on community culture is lost.

It may be more prudent to extend professional development funding to services other than LDC so that services can access professional development or support in the areas where assistance is required.

Services rated "exceeding quality standard" are relieved of paperwork by a increased time between assessments. The licensing authority may also choose to reduce the number of compliance visits these services receive. No further reduction is considered necessary.

CEWA does not support the recommendation to remove the need to submit site plans for OSHC services operated on school sites.

#### **Draft recommendation 7.11**

***Governments should remove those food safety requirements in the National Regulations that overlap with existing state and territory requirements.***

***State and territory governments, in conjunction with Food Standards Australia New Zealand, should explore the possible exemption of childcare services from Standard 3.3.1 of the Australian food safety standards, as in New South Wales.***

CEWA does not believe that the Education and Care Services National Regulations 2012 present onerous requirements in regard to food safety requirements in addition to local Government requirements.

In regard to food preparation staff CEWA would like to see the requirement for training in nutrition required for all ECEC preparing meals for children.

## **Ongoing support for evaluation and program assessment**

### **Draft recommendation 13.2**

*The Australian Government should establish a program to link information for each child from the National ECEC Collection to information from the Child Care Management System, the Australian Early Development Index, and NAPLAN testing results to establish a longitudinal database.*

*Subject to appropriate data protection methods, this information should be made available for research, policy analysis and policy development purposes. The ability of researchers to access unit record information should be permitted subject to stringent privacy and data protection requirements.*

*The Australian Government agency, which is the custodian of the Child Care Management System, should provide a de-confidentialised extract from the database each year that interested parties can use for research and planning purposes.*

CEWA supports the establishment of a program to link information for each child from the National ECEC Collection to information from the Child Care Management System, the Australian Early Development Index, and NAPLAN testing results to establish a longitudinal database. The appropriate use of this data in research would build on from the data linkage work currently undertaken in WA by the Telethon Kids Institute.

### **Draft recommendation 13.3**

*The Australian Government should review the operation of the new ECEC funding system and regulatory requirements after they have been implemented. In particular:*

- within 2 years of introducing subsidies based on deemed cost of care, the accuracy of the deemed costs and appropriateness of the selected indexation approach should be examined and the existence of any adverse unintended outcomes should be identified and resolved*
- within 3 years of extending the coverage of the National Quality Framework (including to current block funded services and to nannies), ACECQA should prepare a report identifying any legislative, regulatory or procedural difficulties arising from the wider coverage of the National Quality Framework*
- within 5 years of implementing the new ECEC funding system and regulatory requirements, the Australian Government should undertake a public review of the effectiveness of the revised arrangements.*

While CEWA does not support the introduction of all of these recommendations the organisation is supportive of any changes that are introduced being subject to review within a documented timeframe.