

Appendices

Appendix 1

Cost of Delivery for 3 - 5 year olds v 0 – 2 year olds

Centre Name: Bimbi Day Care –Tullamarine

Capacity: 95 Places

| <u>Room</u> | <u>Places</u> | <u>Educators (Current)</u> | <u>Educators (2016 – Vic)</u> | <u>Educators (NQF)</u> |
|------------------|---------------|----------------------------|-------------------------------|------------------------|
| Babies: | 20 | 5 | 5 | 5 |
| Toddlers: | 24 | 6 | 6 | 5 |
| 3 YO's: | 20 | 2 | 2 | 2 |
| Kinder: | 30 | 2 | 3 | 3 |

Current Fees

Under 3: **\$89.00/day**

Over 3: **\$86.00/day**

True Cost of Service Delivery for under 3's at 1:4 ratio: **\$110.75**

True Cost of Service Delivery if 2-3's were 1:5 ratio: **\$92.60**

In practice I would be able to reduce one FTE employee in my toddler room should Victoria adopt a 1:5 ratio for children between 2 and 3, a reduction of approx. \$65,000 (inclusive of all wages, and on costs), plus a reduction in providing cover over breaks and at the beginning and end of the day.

This would offset the additional FTE employee required for my over 3's when the ratio changes to 1:11.

The actual additional costs for changing over 3 ratios to 1:11 is approximately \$9 per child per day. This would impact the cross subsidy that occurs currently, and would mean that I would need to close the gap between fees and actual costs for children under 3.

Appendix 2

Effect of the 2016 ratio change in the 2 -3 age group

On 1 January 2016 educator to child ratios for 2-3 year olds will reduce from 1:8 to 1: 5. This will have a direct impact on the cost structures of services. The following example demonstrates the cost impact on the full daily fees in a typical service.

Assumptions

- Wages and associated costs represent approximately 60 per cent of total operating expenses although recent evidence suggests it could be as high as 68 per cent³⁵.
- On-costs are assumed to be 40 per cent.
- The approximate daily rate for an Early Childhood Teacher Level 1 in NSW is \$193.04.

Calculations

| Expense | 1:8 Ratio | 1:5 Ratio |
|--|-----------|---------------|
| Wages | \$193.04 | \$193.04 |
| Wages and On-costs | \$270.26 | \$270.26 |
| Total Cost (operational) per day | \$450.43 | \$450.43 |
| Daily Fee for Parents (Total cost/number of children) | \$56.30 | \$90.09 |
| Per cent increase | | 60.02% |

This equates to 60 per cent increase in the cost of care for families.

³⁵ IBISWorld 2014, *Child Care Services in Australia*, Industry Report Q8710, < <http://www.ibisworld.com.au/industry/default.aspx?indid=626>>.

Appendix 3

Higher cost of care for babies – a case study from New South Wales

At the Productivity Commission's public hearing held in Sydney 15 August 2014, one of our state associations, Child Care New South Wales, was asked to provide evidence of the approximate costs of providing care in Sydney for children aged birth to two years. The following two scenarios have been prepared using the following assumptions:

Scenario 1 – Diploma Qualified

- A long day care service providing care for four children aged from birth to two years, with one staff member (based on ratio of one educator to four children)
- The long day care service is open 11 hours
- One staff member at 5 hours (4 hours plus one hour to cover other staff lunch; 2x rest pauses and some programming time) and one staff member at 6.5 hours ie a total of 11.5 hours staff costs (based on the bare minimum of staffing hours)
- Staff costs have been estimated to be 68% of operating costs³⁶ (not factoring in the costs that are not passed on as a result of many privately owned service providers performing tasks that community-based services generally pay staff to do), and staff costs in this scenario are based on a Diploma-qualified educator with a minimum of two years' experience (Level 4.3 under the Children's Services Award 2010)
- Staff costs are based on employees who were employed prior to 30 June 2014 in NSW and therefore subject to transitional provisions for Children's Services Award 2010

Staff costs: \$25.32 per hour plus 40% on-costs = \$35.45/hr

11.5 hours x \$35.45 = \$407.68

Total costs: If \$407.68 is approximately 68% of total costs, then total costs = \$599.53 per day.

Per child costs: **\$149.88/day**

Based on this scenario, provision of early childhood education and care services for each baby costs approximately \$149.88, meaning that a service charging anything less than \$149/day is unable to recover the costs of providing this service, and will more than likely cross-subsidise by passing on these costs to the provision of ECEC in the other age groups.

Scenario 2 – Cert III Qualified

- A long day care service providing care for four children aged from birth to two years, with one staff member (based on ratio of one educator to four children)
- The long day care service is open 11 hours
- One staff member at 5 hours (4 hours plus one hour to cover other staff lunch; 2x rest pauses and some programming time) and one staff member at 6.5 hours ie a total of 11.5 hours staff costs (based on the bare minimum of staffing hours)
- Staff costs have been estimated to be 68% of operating costs³⁷ (not factoring in the costs that are not passed on as a result of many privately owned service providers performing tasks that

³⁶ IBISWorld 2014, *Child Care Services in Australia*, Industry Report Q8710, <<http://www.ibisworld.com.au/industry/default.aspx?indid=626>>.

³⁷ IBISWorld 2014, *Child Care Services in Australia*, Industry Report Q8710, <<http://www.ibisworld.com.au/industry/default.aspx?indid=626>>.

community-based services generally pay staff to do), and staff costs in this scenario are based on an entry-level Certificate III qualified educator (Level 3.1 under the Children's Services Award 2010)

- Staff costs are based on employees who were employed prior to 30 June 2014 in NSW and therefore subject to transitional provisions for Children's Services Award 2010

Staff costs: \$20.65 per hour plus 40% on-costs = \$28.91/hr

11.5 hours x \$28.91 = \$332.47

Total costs: If \$332.47 is approximately 68% of total costs, then total costs = \$488.93 per day.

Per child costs: **\$122.23/day**

Based on this scenario, provision of early childhood education and care services for each baby costs approximately **\$122.23**, meaning that a service charging anything less than **\$123/day** is unable to recover the costs of providing this service, and will more than likely cross-subsidise by passing on these costs to the provision of ECEC in the other age groups.

Based on the above scenarios, it is clear that the proposed 'deemed cost' of care for babies would need to be substantially higher than the \$7.53/hour proposed for long day care.

Appendix 4

Submission from ACA Member - Financial models from a service engaged with several children with disabilities

Challenges & cost of care for Children with Additional Needs

I believe everyone would agree that funding for additional needs children whilst appreciated is never enough. In Victoria we get two forms of funding KIS and ISS, both facilitated through Noahs Ark. Who I must say are fantastic!

Kinder Inclusion Subsidy (KIS)

- Support staff is supplied, paid and managed by Noah's Ark.
- 1:1 care
- State funded
- If a child is receiving Kinder Funding then they must get either KIS or a combination of KIS and ISS.

The issue we have with KIS is the staff member is not directly employed by us, hence we can't manage or consul them if necessary. Essentially they have no 'report to' manager onsite. In our case, we negotiated with Noah's Ark to employ one of our ex-employees (She wanted to go down to part time). We were fortunate, but essentially its pot luck.

Inclusion Support Subsidy (ISS)

- Support staff is subsidised to the centre through Noah's Ark.
- Support staffs are an addition to our ratio; hence support the team to support the child within an inclusive environment.
- Federally funded @ \$16.92 per hour.

The issue with ISS is that the hourly funding does not cover the true cost of care and it's only funded for 5 hours a day.

Jenny's Early Learning Centre - Maiden Gully-2014

Our ELC is licensed for 87 Children and we cater for the ages of 0-6. We have been part of the Bendigo community for seven years.

We currently receive funding for **four additional needs children**. For privacy reasons I will refer to them using their Case IDs

a) Child A

He is 4 years and 5 months and has been diagnosed with Down Syndrome.

A few of the challenges;

- High care
- Very little language, so he gets frustrated easily
- Still in nappies



- Needs help with day to day tasks including eating etc.

He attends 2 days a week and is usually in care from 8:30am to 5:30pm. Hence 18 hours a week.

We receive 10 hours of funding @ \$16.92 per hour.

b) Child B

He is 3 years and 4 months and has been diagnosed with Cerebral Palsy.

A few of the challenges;

- Extremely high care
- Needs to be sit in a special chair, which has been supplied by Noahs ark
- Can't walk
- No language
- Still in nappies
- Needs a walker, this has been supplied to the parents through Scope. The parents bring it in and take it home daily
- Needs help with day to day tasks including eating etc.

He attends 2 days a week and is usually in care from 7am to 6pm. Hence 22 hours a week.

We receive 10 hours of funding @ \$16.92 per hour.

c) Child C

She is 6 years old and has been diagnosed with a genetic illness, she is missing a chromosome.

A few of the challenges;

- High care
- No language.
- Still in nappies.
- Needs help with day to day tasks including eating etc.

She attends 4 days a week and is usually in care from 9am to 5pm. Hence 32 hours a week.

We receive 10 hours ISS funding @ \$16.92 per hour.

And 12 hours of KIS support (this is where Noah's Ark send us a staff member to care for the child)

d) Child D

He is 5 years old and has been diagnosed with Autism Spectrum Disorder.

A few of the challenges;

- Moderate care
- Shuts down and can get very vocal.
- Has difficulty following direction.
- Can be aggressive and forceful with other children

He attends 1 day a week and is usually in care from 9am to 5:30pm. Hence 8.5 hours a week.

We receive 5 hours ISS funding @ \$16.92 per hour.

Overlapping issues;

- Families of children with additional needs generally need a break (well deserved) hence leave their children in care for longer hours.
- 4, 5 and 6 year old children that require their nappy changed, need the help of two staff. This puts further strain on ratios.
- More specialised equipment is required.
- Most importantly, the child's additional needs do not switch off when the 5 hours runs out! They still need their nappies changed, extra supervision, care, and support.

True cost of care

Firstly I would like to make the point that children with special needs deserve and require highly qualified and experienced staff. Unfortunately they are not readily available.

Below I will demonstrate the true hourly cost of care, **assuming you can attract, employ and retain a permanent employee;**

According to the current award, qualified staff cost;

- Cert III- \$20.95 per hour
- Diploma- \$23.83 per hour

For ease of maths let's take an average, $\$20.95 + \$23.83/2 = \mathbf{\$22.39}$

Additional costs

Super @ 9.5%: \$2.13 per hour

Annual leave @ 4/52 weeks: \$1.72 per hour

Annual leave replacement @ casual rate: $\$22.39 \times 1.25$ (casual loading) = \$27.99

$\$27.99 \times 152$ hours (4 weeks, 38h*4) = \$4254.48

$\$4254.48 / 1976$ hours (52 weeks * 38h) = \$ 2.15 per hour

Sick leave @ 2/52, will be exactly half of annual leave: \$0.86

Sick leave replacement @ casual cost, will be exactly half of annual leave replacement cost: \$1.08 per hour

Total additional costs - **\$7.94 per hour**

Total hourly cost is;

$\$22.39 + \$7.94 = \mathbf{\$30.33}$



Australian Childcare Alliance

Payroll tax VIC

$\$30.33 * 0.0485\% = \$ 1.36$

Worker compensation

$\$30.33 * 0.035\% = \1.06

Hence the **true hourly cost** for each qualified Employee is $\$30.33 + \text{payroll tax} + \text{workers Compensation} = \underline{\underline{\$32.75 \text{ per hour}}}$

This cost is a bare minimum, as it does not take into account the following;

- Usually you may employ a casual as there is no guarantee how long the funding will last.
- Experienced qualified staff usually gets paid higher than the award.
- Putting together supporting documentation for the Inclusion Support Plan (ISP) and planning takes at least one hour per child per week.
- Applying, submitting and monitoring funding takes the director an average of 2 hours per week.
- Time is taken out for monthly Noah Ark visits, at least 30-45 mins per room per month.
- If we do roster an additional staff member in peak times, then Noah's Ark will advise that we do not need additional funding as we are operating above ratio.
- The biggest additional cost is; we staff according to what's needed not the 5 hours a day paid to us. Currently we provide 33.5 hours a week of care that we do not receive funding

To sum up, the funded hours and the hourly rate is nowhere near enough. Also the paperwork required to get the funds is cumbersome and time consuming.

Although it makes no financial sense to enrol children with additional needs, we view it as a blessing and a privilege to care for them. Hence I take offence to be branded 'for-profit' and not for the community.

I thank you for taking the time to review my submission. If you would like further clarification and/or would like to chat about the above please feel free to contact me.

Kind Regards,

Fady Elghitany

Operations Manager / Director

W: www.jennyselc.com.au

Submission from ACA Member

It is unfair to expect one service to support the government in the placement of children with additional needs in child care. Bright Beginnings provides tremendous support for our families, but this comes at a huge financial cost. Secondly the educators are quite stressed due to the very high needs of the children. The children attend long hours; we are not legally allowed to reduce attendance times.

We predominantly use experienced staff for our support roles, the children we have at our service require this.

Cert III: 2nd year casual \$26.19

Cert III: casual \$24.55

Cert III: part time \$19.64

Unqualified part time: \$17.91

Current costing to the service (*the main concern is the down time)

a.) to apply for flexible funding the service must wait for an appointment or viewing of the child by the ISS co-ordinator. Depending on their availability this can take up to a month. We at BB are very confident to ask for this time frame to be shortened. The centre currently pays the full costs for the support until flexible subsidy is put in place.

b) flexible subsidy is only for 100 hours, at 5 hours per day. If the child attends multiple days then this short term gap gets used very quickly. The ISS application can take a long time, even months-so the centre must cover the full costs at this time

c) the funding if approved is very low \$17.19 per hour -it really only equates to an unqualified assistant and does not include all employment on costs. As you can see from the children enrolled in our service, the children require qualified experienced educators to support the child and the room.

d) if the child has existing ISS at their other service can we fast track approval in the new setting? e.g. a child transfers to another service and this shows the lack of support through ISS – “The IPSP Guidelines Page 58 state that the ISA’s will ensure that FSF is not used “as an interim or alternative source of funding while an application for the Inclusion Support Subsidy is being processed”. So unfortunately this would not be possible.”

Costings as of 20 August 2014

K1pk -3 days cert 3 assistant year 2

The centre covered 8 hours per day until flexible subsidy was put in place. Flexible subsidy lasted for one month only 5 hours per day. So the centre covered the remaining 3 hours fully per day. Once the flexible subsidy ran out the centre has paid the full 8 hours per day (3 days per week) until the ISS is processed, we are unsure if we will get the full 8 hours approved.

Cost to the service at present \$628.56 per week, once ISS approved if successful cost to service \$168 per week.

K2pk -2 days cert 3 assistant 2nd year



Currently we have 10 hours per week flexible subsidy; we cover 8 hours per day. Cost to service 370.71 per week, once flexible subsidy runs out cost to service until approval \$628.56

Ika 3 days-cert 3 assistant year 1

Applying for ISS-centre paying for support 5 hours per day until approval. Cost to service \$368.25 per week

k2 kb three days-unqualified assistant part time

ISS approved 5 hours per day
Cost to the centre \$10.80 per week

E kb 2 days shared care Thursday-unqualified assistant part time

ISS approved 5 hours PER DAY
Cost to the centre \$3.60 per week

T2.5 Thursday cert 3, first year assistant

5 hours flexible subsidy cost to centre- 36.80
Once flexible finished until ISS approval \$122.75

D2.5 Mon Tues, cert 3 assistant

Flexible funding 10 hours per week, cost to centre \$73.60 per week
Once funding ceases until approval cost to centre \$245.50

Total weekly cost to the centre as of 20 August 2014 = \$1492.32 = 1630.35

Total yearly cost = \$84, 778.20

This amount does not take into account superannuation, payroll tax and WorkCover, holiday allowance and sick pay replacement.

This amount also does not include the time taken to write the ISS application approximately 5-10 hours, all the specialist appointments and ongoing parent and team meetings regarding the development and behaviour/ the admin time to complete the documentation approx. 4 hours per child.

Appendix 5

Letter from a service that will be forced to close should the 3 in 7 years approach to funding be introduced

12th August 2014

Productivity Commission Submission

Response to Draft Productivity Commission Recommendations released 22nd July 2014

To Whom It May Concern

I am writing in response to the recommendation in your Draft Productivity Commission Report relating to two rural long day care services in South Australia that I operate. One service in Kapunda and one in Angaston. Both of these services currently receive sustainability assistance which is vital for them to remain open. Both of these services are essential community services and provide much more than an education and care service to these communities. They provide family support, early childhood parent education and referral advice, and vital support for vulnerable families.

The Kapunda centre is the only such service within a 40 kilometre radius with the nearest centre, Eudunda Children's Centre, 30 Km away closing in 2012 due to being unable to remain viable, and today we were notified that Roseworthy Children's Centre 46Km away will be closing due to being unviable. Kapunda Child Care and Early Learning Centre must continue to be supported to service the wider rural communities.

Should the recommendation of only providing sustainability assistance for 3 years in every 7 become effective, it would mean that both of these services would certainly close.

The Commission needs to recognise that families and children in rural and remote areas have a right to access early childhood education and care programs and that ongoing sustainability assistance is a relatively small investment of Government to ensure that this happens.

Yours sincerely

Judy Atkinson
Managing Director

Appendix 6

Email from a grandparent

From: Sandra Radnedge
Sent: Thursday, 14 August 2014 7:27 AM
To:
Subject: FINANCIAL ASSISTANCE FOR GRANDPARENTS

TO WHOM IT MAY CONCERN

When a person discovers at a time in their lives when they are looking forward to being able (at last) to start living his or her life, more for themselves, than for their children, it comes as a huge emotional and physical (we are not so young anymore) shock to find themselves once again rearing babies. Actually it leaves one reeling, not only physically and emotionally, but financially.

From the first moment of realization and responsibility, panic sets in because this child (or these children) is deeply loved by the grandparent, loved in fact, no less, than their own children ever were.

There is really no difference this time around except that in this case most of us are still supporting to a large extent their own children. Certainly I dare say, financially, and in a lot of cases emotionally as for some reason young adults seem to be bewildered and don't only "not know who they are" but it would seem, haven't the slightest idea "where they are at". That is just a fact of life. Many children remain quite dependent upon their parents for many years past their "coming of age". It is not a phenomenon limited to careless or uncaring parents, these circumstances can come the way, of even the most diligent of parents. So now, some of those grandparents (as if that isn't enough to keep them on their toes) not only have those problems with which to contend but they find themselves with the next generation to rear.

I daresay, a lot of us would be found hanging from the nearest tree, if it was not for the government assistance we receive, for child care. We, most of us anyhow, certainly cannot afford to pay for that ourselves as well as all the other necessities of life. I am speaking of the real necessities. I don't smoke, drink or gamble and I don't indulge in any other kind of expensive (or non-expensive) pastime for that matter, and I most definitely wouldn't contemplate setting foot in a restaurant. Also I have not had a holiday since my own children were one and four, not so much as a weekend away. So, it has to be said, I don't squander money, and I believe most of us don't. Of-course I am referring to those grandparents, who like myself, desperately need, and appreciate government assistance with childcare, when I say, it is in fact, a Godsend.

So, there you have it. It is really quite simple, my grandchildren, would I am certain miss out on that



which they deserve, (surely, just as much as any other child), if the government withdrew its financial support from me. This gives them precious learning and social development time at kindy which they love.

Also, I should say that during the days my little one spends in kindy, I can address other issues, such as doing my best to be there for my grown children - that is something it seems which for a parent is never-ending and something to which I am equally committed.

A grandparent is just like a piece of elastic, in that it can be stretched only so far, and then it can go no further. That's why we need help to be the best grandparents we can be for our precious little ones. They are our babies.

Sincerely yours,
Sandra

Appendix 7

Letters from services

To whom it may concern.

Re: Productivity Commission Report
Grandparent Childcare Benefit / 100% Subsidy

Grandparents, who undertake the Primary Carer responsibilities for grandchildren, provide a vital role for the community in their commitment to the early year's generation.

In addition to maintaining the numerous benefits of family nurturing compared to other forms of care, the cost to Government, if it took over the wellbeing of children would be far higher than the current 100% subsidy paid to grandparents for childcare fees.

The Grandparent Childcare Benefit should be retained at 100%.

Thank you for your time.

Regards,

Arthur Griffiths
Currimundi Childcare & Education Centre

18/08/2014
Productivity Commission

To whom it may concern,

I am a Director of a Child Care Centre in the Western suburbs of Adelaide. I am writing to you today to tell you about one of my current families. They are a long standing family with our service as they previously had their own children attend the Centre. Now they are caring for their grandson, and he also attends our Centre. They have taken on the fulltime care of their grandson as their daughter is not in a position to care for him.

I am concerned that if benefits were taken away from grandparents that are guardians for their grandchildren then this will make it extremely difficult for these families to survive. As I mentioned they have their own children and their youngest is 9 years old, plus their grandson.

I am writing on their behalf urging you not to make the proposed changes that will impact greatly on this family. They are already feeling financial stresses after taking on the fulltime care of their grandson.

Thank you, Dionne McRostie

Appendix 8

Views of a member on the unsustainable nature of the existing system

As of 20 August WE HAVE THE FOLLOWING CHILDREN AT BB

1. Child A - global delay/microcephaly/asd
 - Child A started in June
 - Monday, Tuesday and Friday –very high needs, no language/limited walking/no toileting/head bangs.
 - We initially had flexible funding 15 hours per week for the month of July.
 - Attends 8 hours per day and we needed to cover the whole session time due to her physical and social requirements. We have applied for ISS funding for 9 hours per day, until this is processed the centre is paying the entire amount.
2. Child B - very high needs due to antisocial behaviour-hits/bites
 - Wednesday – Thursday
 - Currently we have applied (not approved) for 10 hours per week flexible funding. We have started from this week covering 20 hours per week due to his very high needs.
3. Child C - Limited language-little social skills
 - Wednesday, Thursday and Friday
 - We do not have flexible for him and are waiting on ISS approval. Currently we are paying 15 hours per week
4. Child D - genetic delay-limited language and social skills
 - Monday, Tuesday and Wednesday
 - Inclusion support 3 x 5 hours ISS approval
5. Child E - charge syndrome
 - Wednesday and Thursday
 - very high needs-never been in child care before –unstable/no self-help/limited language/button fed
6. Child F - down syndrome
 - no language/limited skills
 - share care with 5E
 - we would love single support due to both children's high needs ISS funding 5 hours per day
7. Child G - autism-very limited skills
 - Thursday



- Flexible funding 5 hours per day for 10 days.
8. Child H - child at risk, severe extreme physical behaviour
 - Monday and Tuesday
 - Flexible 5 hours per day for 12 days
 9. Child I – autism
 - Thursday
 - Foster child at risk
 - Starting in early September
 - We have applied for flexible
 10. Child J - We have recently lost a child at risk/autism, 4 days per week-20 hours inclusion support.

This does not cover all the time spent to complete the application portal-approximately a minimum of 15 hours per application for 2 staff to complete.

My main issue is if a child is in another service and already has ISS, then there should be a short cut or priority system to fast track the new centre's ISS application. My second complaint is the costs associated – the **\$17 contribution is too low.**

Appendix 9

Cost of the provision of care under the IPSP funding model

South Australia

Background

One childcare centre began its involvement in the IPSP program at end of 2011 with the thoughts that:

- The care should be available to all.
- There are benefits to the special needs children, and benefits to the other children at the centre in socialising with the participants.
- Specialised services would be met through government assistance through contractors, and by government funding.
- The program would be cost-neutral.

At the start of 2014 there are two notable points about the program:

- The parents of children with special needs are happy to find an IPSP program available for their children. One comment is that these are rare, and the need is high. Another was that the progress of their special needs children was better than previously achieved. As a consequence, the centre still wants to meet the community need, with caveats.
- The net effect of the IPSP program on the centre's finances was **minus \$80,000** for FY 2012-13.

Analysis

The centre analysed the financial effect of the IPSP. The two types of IPSP funding are Flexible Support Funding (FSF), and Inclusion Support Subsidy (ISS). Paraphrasing part of the on-line definitions of FSF and ISS:

- **Flexible Support Funding (FSF).** FSF is short term funding provided to Australian Government-approved child care services. The funding is a contribution towards the cost of an additional worker to increase the child / staff ratio.
- **Inclusion Support Subsidy (ISS).** ISS is paid to child care services to support the inclusion of a child or children with ongoing high support needs. The ISS is a contribution towards the costs associated with employing an additional child care worker. The ISS is limited to a flat hourly rate, which is determined by the Department of Education, Employment and Workplace Relations (DEEWR) and is indexed annually.

The first step when a child is thought to have special needs is to apply for funding. Generally, initial funding is through FSF, and permanent funding is via ISS. A successful FSF or ISS application results in approval of a number of FSF or ISS hours. The current hourly rate is **\$16.92**. The rate is

indexed by DEEWR. The application process is difficult and time-consuming, and needs to be repeated over time.

Calculations

These points are important in calculating the financial effect on a centre:

1. The workers funded by FSF and ISS are in addition to normal educators. FSF or ISS hours cannot be used in lieu of other childcare educator positions.
2. The current FSF or ISS hourly rate is **\$16.92**.
3. From this, there are three considerations.
 - a. The first is the number of approved FSF or ISS hours (not number of IPSP children, or number of IPSP staff), because

$$\text{IPSP Approved Hours} = \text{Total IPSP Income}$$

For example, 100 hours @\$16.92 = \$1,692

- b. The second is the average staff hourly rate for the educators employed under IPSP, because

$$\text{IPSP Approved Hours} \times \text{Educators Hourly Rate} = \text{IPSP Costs}$$

For example, 100 hours, at an average rate of \$24.65 per hour = \$2,465.

- c. The third is

$$\text{Profit/Loss} = \text{IPSP Income} - \text{IPSP Cost}$$

In this example of **100 approved hours**: \$1,692 - \$2,465 = **-\$773**

The figures for the centre at the start of 2014 are as follows:

1. Weekly approved FSF and ISS hours are **121**.
4. CERT3 hourly rate is **\$19.72** plus on-costs of 25%. That equals **\$24.65**
5. This means that at current approval levels, the centre loses **\$7.73** per approved FSF or ISS hour.
6. Therefore, the centre **loses** $121 \times \$7.73 = \text{\$935.33 per week}$, or **\$48,637 per year** as a result of participation in the IPSP.

The **\$80K** centre loss on IPSP in **FY 2012/2013** was because for more than a year it employed additional specialist staff beyond the IPSP approved FSF and ISS hours.

Financial Options

The options to reduce loss are:

1. **Increase IPSP Income.** Centres cannot affect the IPSP income level. DEEWR sets the FSF and ISS hourly rate at \$16.92.



2. **Decrease Centre Hourly Rates.** Childcare workers are not overpaid. The centre cannot reduce its hourly rate.
3. **Find Other Funds.** A parent suggested that the centre be accredited as an NDIS service provider, so that other funds paid to her family could be used towards funding her child in the IPSP. That possibility has not been examined yet.
4. **Charge the Parents.** The parents of the special needs children have enough troubles and costs already. The other parents are unlikely to accept the impost, and the centre imposing it would lose occupancy to other centres.

Summary

The centre assessed the effects of the IPSP as:

1. The IPSP seems to be a necessary, effective support to disadvantaged families with special needs children. It has produced sound results in some years of operation.
2. Although IPSP operates at a loss, the centre would like changes to be able to continue to provide IPSP support to its families and communities.
3. The centre is unable and unwilling to reduce staff pay rates.
4. The centre cannot make DEEWR raise the FSF and ISS hourly rates.
5. The centre cannot provide child care services if it operates at a loss. If the business fails, there are no childcare services, no IPSP facilities provided, and no jobs.
6. As a consequence the centre is unwilling to plan to run an IPSP program at a large loss, where the loss increases for every additional program hour. The IPSP structure seems to threaten its survival.
7. It may be that centres could be accredited to be NDIS service providers so that other funds could be applied to IPSP.

Appendix 10

The Provision of Flexible ECEC

The following case study provides an indication of the cost implications associated with the provision of flexible care, both via extended hours, as well as the provision of ECEC on weekends.

The following scenarios have been prepared utilising the following assumptions:

- Afternoon shifts (anything finishing from 6.30 to midnight) have a 15% loading
- Night shifts a 30% loading
- Saturdays are time and a half (a staff-member doing an ordinary shift eg a Tuesday – Saturday week, not a Mon-Fri staff member doing overtime on a Saturday)
- Sundays are double time.

Scenario 1 – Extending Hours to Open Until 8pm (rather than current 6:30pm closing time)

A minimum of two staff are required for additional 1.5 hours. The entire shift for each of these staff must be paid at the higher rate. Given a Responsible Person/Supervisor must be on-site, it is assumed that the two staff in this scenario would be a Diploma and Cert III. In this scenario, these staff are paid award rates.

In NSW, Previously Cert III @ 7.5hrs was $\$19.64 \times 7.5 = \147.30 - plus oncosts 40% = **\$206.22**

Previously Dipl @ 7.5hrs was $\$23.13 \times 7.5 = \173.47 - plus oncosts 40% = **\$242.86**

The total base-level staffing costs for these two staff are **\$449.08** in this scenario.

However, an additional 15% loading must be applied to the entire shift for these two staff, meaning that the total cost is \$516.44 – an additional \$67.36 in staffing costs.

It should also be recognised there would be additional on-costs (such as an additional meal (dinner) for the children), which could be estimated at \$4 per child for the extended day.

The additional hours, as well as associated on-costs are estimated to add an extra \$12.50/day to the costs of ECEC in this service. In this scenario, instead of the daily fee for babies being \$110/day, the fee would be \$122.50/day, an additional \$12.50/day for families.

Scenario 2 – Providing ECEC on Saturdays

Assuming the same staff qualifications as the above scenario, based on their wages being costed at time and a half:

Cert III @ 7.5hrs now $\$29.46 \times 7.5 = \220.95 plus oncosts 40% = **\$309.33**

Dipl @ 7.5hrs now $\$34.70 \times 7.5 = \260.25 plus oncosts 40% = **\$364.35**



Assuming parents are using this time to work; the service must be open for 11 hours to cover their shift, as well as commuting time to and from work. As such, there would have to be two additional staff doing four-hour shifts to cover lunches, breaks etc.

Cert III @ 4hrs now $\$29.46 \times 4 = \117.84 plus on costs 40% = **\$164.97**

Dipl @ 4hrs now $\$34.70 \times 4 = \138.80 plus on costs 40% = **\$194.32**

The total staffing costs then become **\$1032.97**

In this scenario, it is assumed that all other on-costs are the same, and there are five children in attendance.

Assuming staffing costs are approximately 68% of operating costs, the total costs of providing ECEC in this scenario are \$1519.07 for the day. If only five children were in attendance, the Saturday fee would have to be at least \$303.81 per child, which is completely unfeasible for most families.

Even if 10 children were booked in, the fee would still be **\$151.91** (at a bare minimum), which again is out of reach for most families.

Appendix 11

Cost of 0 - 3 years provision of care and other age groups under the 2016 ratio change

Victoria – 62 places

| LICENSED PLACES | Current No. | Proposed No. | Loss off Licensed | \$ cost to families |
|---------------------------|-----------------------|-----------------|------------------------------|---|
| Operating at 62 | | | Capacity per day | lost places x daily fee est \$85 per day x 5 days |
| Babies 0 - 2 years | 12 | 12 | 0 | 0 |
| 2 .5 - 3 years | 16 | 15 | 1 | 425 |
| 3 - 4 years | 18 | 18 | 0 | 0 |
| 4 - 5 years | 15 | 11 | 4 | 340 |
| | | | New licensed capacity | |
| 3 - 5 years | | | 57 children per day | 765 |
| | | | | total \$3,300 ÷ new licensed capacity of 57 |
| | | | | Weekly increase for families on lost places \$13.42 |
| Additional Staff: | | | | |
| 4 year trained ECT | \$32.80 per hour x 38 | x 1.26 on costs | | Per week \$1570 |
| Other .5 Professional (?) | \$40.00 per hour x 19 | x 1.26 on costs | | Per week \$957.60 |
| | | | | \$2,527.60 per week |
| | | | | total \$2,527.60 ÷ new licensed capacity of 62 |
| | | | | Weekly increase for families on wage costs \$40.77 |
| | | | | 921.574 |
| | | | | TOTAL PER WEEK ADDITIONAL FOR FAMILIES 10.838 |
| | | | | \$51.56+ \$40.77 = \$92.33 or \$18.47per day per place |
| | | | | 13.42 + \$40.77 = \$54.19 or \$10.38 per day per place |

This does not allow for Fair Pay Australia increases over the next 3- 4 years

This does not allow for the drop to mainly affect funded kinder allocation which will further affect our ability to fund our programs



Queensland

| | | | | |
|--------------------------------|-----------------------|---------------------|------------------------------|---|
| 4 year trained ECT | \$32.80 per hour x 38 | x 1.26 on costs | | Per week \$1570 |
| | | | | total \$1570 ÷ new licensed capacity of 64 by 5 days = 320 = \$4.90 per day |
| | | | | TOTAL PER WEEK ADDITIONAL FOR FAMILIES |
| | | | | Weekly increase for families on wage costs \$24.53 |
| 5 Room centre | | | | |
| LICENSED PLACES | Current No. | Proposed No. | Loss off Licensed | \$ cost to families |
| Operating at 75 | | | Capacity per day | lost places x daily fee est \$79 per day x 5 days |
| Babies 0 - 15 months | 8 | 8 | 0 | |
| Toddlers 15 mths to 2.5 | 10 | 8 | 2 | 790 |
| 2.5 - 3 years | 16 | 10 | 6 | 2370 |
| 3 - 4 years | 16 | 16 | 0 | 0 |
| 4 - 5 years | 25 | 22 | 3 | 1185 |
| | | | New licensed capacity | |
| | 75 | 64 | 64 children per day | |
| | | | | total \$4,345 ÷ new licensed capacity of 64 by 5 days = 320 = \$13.57 per day |
| | | | | Weekly increase for families on lost places \$67.89 |
| | | | | total increase per week = \$92.42 or \$18.48 per day per child |

Appendix 12

Costing of childcare currently under inclusion support funding in services

| Children's Services Award 2010 | | Permanent Hourly Wage as at 1/7/14 | Permanent Hourly Wage with on costs of 126.305% | Casual Hourly Wage as at 1/7/14 | Casual - Hourly Wage with On Costs of 110.44% | 25 hrs per week Permanent with On Costs | 25 hrs per week Casual with On Costs | ISS subsidy of \$17.19/hr as at 1/7/14 x 25 hrs | Weekly Difference - Permanent - 25 hrs/wk | Annual Difference Permanent - 25 hrs/wk = Loss to Service | Weekly Difference - Casual - 25 hrs/wk | Annual Difference Casual - 25 hrs/wk = Loss to Service |
|-----------------------------------|---------------------|------------------------------------|---|---------------------------------|---|---|--------------------------------------|---|---|---|--|--|
| | | | 126.31% | | 110.44% | 25 | 25 | \$17.19 | | | | |
| Assistant | 3A.1 [on c'ment] | \$19.33 | \$24.41 | \$24.16 | \$26.68 | \$610.37 | \$667.06 | \$429.75 | \$180.62 | \$9,392.18 | \$237.31 | \$12,340.00 |
| Assistant | 3A.2 [after 1 year] | \$19.64 | \$24.81 | \$24.55 | \$27.11 | \$620.16 | \$677.83 | \$429.75 | \$190.41 | \$9,901.19 | \$248.08 | \$12,899.93 |
| Assistant 1 Yr Qual Year 1 | 3.1 [Cert III] | \$19.64 | \$24.81 | \$24.55 | \$27.11 | \$620.16 | \$677.83 | \$429.75 | \$190.41 | \$9,901.19 | \$248.08 | \$12,899.93 |
| Assistant 1 Yr Qual Year 2 | 3.2 [after 1 year] | \$20.31 | \$25.65 | \$25.39 | \$28.04 | \$641.31 | \$701.02 | \$429.75 | \$211.56 | \$11,001.31 | \$271.27 | \$14,105.93 |
| Assistant 1 Yr Qual Year 3 | 3.3 [after 2 years] | \$20.95 | \$26.46 | \$26.19 | \$28.92 | \$661.52 | \$723.11 | \$429.75 | \$231.77 | \$12,052.17 | \$293.36 | \$15,254.51 |

| | Hourly Wage | On Cost % | Incl. On Cost | ISS Rate as at 1/7/14 | Difference | x 10 hrs | 10 hrs x 52 wks | x 15 hrs | 15 hrs x 52 wks | x 20 hrs | 20 hrs x 52 wks | x 25 hrs | 25 hrs x 52 wks |
|---|---------------|-----------|---------------|-----------------------|------------|-----------|-----------------|-----------|-----------------|--------------------|-----------------|--------------------|-----------------|
| Assistant Diploma Qual On C'ment | 3.4 [Diploma] | \$22.11 | \$27.93 | \$27.64 | \$30.53 | \$698.15 | \$763.14 | \$429.75 | \$268.40 | \$13,956.85 | \$333.39 | \$17,336.30 | |
| <p>The loss to the service is substantial without taking into consideration that many of the ISS funded staff must remain employed for much longer than the 25 hours allocated each week which could result in the annual difference in service loss to be double the amounts calculated above. Funding can be extended but it is not usual for approval for extension of hours to be granted. It is also expected that one ISS funded staff member can assist with more than one child at a time which places considerable stress on staff who are compelled to provide a program that ensures that each child in attendance receives a high quality early learning program.</p> | | | | | | | | | | | | | |
| 3.1 - Permanent | \$19.64 | 126.31% | \$ 24.81 | \$17.19 | \$ 7.62 | \$ 76.16 | \$ 3,960.48 | \$ 114.24 | \$ 5,940.72 | \$ 152.33 | \$ 7,920.95 | \$ 190.41 | \$ 9,901.19 |
| 3.1 - Casual | \$24.55 | 110.44% | \$ 27.11 | \$17.19 | \$ 9.92 | \$ 99.23 | \$ 5,159.97 | \$ 148.85 | \$ 7,739.96 | \$ 198.46 | \$ 10,319.94 | \$ 248.08 | \$ 12,899.93 |
| 3.2 - Permanent | \$20.31 | 126.31% | \$ 25.65 | \$17.19 | \$ 8.46 | \$ 84.63 | \$ 4,400.52 | \$ 126.94 | \$ 6,600.79 | \$ 169.25 | \$ 8,801.05 | \$ 211.56 | \$ 11,001.31 |
| 3.2 - Casual | \$25.39 | 110.44% | \$ 28.04 | \$17.19 | \$ 10.85 | \$ 108.51 | \$ 5,642.37 | \$ 162.76 | \$ 8,463.56 | \$ 217.01 | \$ 11,284.74 | \$ 271.27 | \$ 14,105.93 |
| 3.3 - Permanent | \$20.95 | 126.31% | \$ 26.46 | \$17.19 | \$ 9.27 | \$ 92.71 | \$ 4,820.87 | \$ 139.06 | \$ 7,231.30 | \$ 185.42 | \$ 9,641.73 | \$ 231.77 | \$ 12,052.17 |
| 3.3 - Casual | \$26.19 | 110.44% | \$ 28.92 | \$17.19 | \$ 11.73 | \$ 117.34 | \$ 6,101.80 | \$ 176.01 | \$ 9,152.70 | \$ 234.68 | \$ 12,203.61 | \$ 293.36 | \$ 15,254.51 |
| 3.4 - Permanent | \$22.11 | 126.31% | \$ 27.93 | \$17.19 | \$ 10.74 | \$ 107.36 | \$ 5,582.74 | \$ 161.04 | \$ 8,374.11 | \$ 214.72 | \$ 11,165.48 | \$ 268.40 | \$ 13,956.85 |
| 3.4 - Casual | \$27.64 | 110.44% | \$ 30.53 | \$17.19 | \$ 13.34 | \$ 133.36 | \$ 6,934.52 | \$ 200.03 | \$ 10,401.78 | \$ 266.71 | \$ 13,869.04 | \$ 333.39 | \$ 17,336.30 |

Appendix 13

Feedback on Assessment and Rating – New South Wales

| ISSUE | EXAMPLES/MEMBER FEEDBACK |
|--|--|
| Insufficient Resources | <p>Massive concerns right across the state re: insufficient resources to undertake re-assessment of 'working towards' services within a 12-month timeframe, let alone conduct initial A&R visits for the thousands of services across the state</p> <p>Multiple members reporting that their A&R had been postponed indefinitely as ACOs had called in sick or were unavailable at the last minute. In addition to the personal, emotional toll on educators, this also has financial implications as most services arrange for additional staff to be available on the day/s of the visit, recognising that they will be required to leave the floor or will be with the ACO for extended periods of time, which may have ratio implications</p> <p>Multiple reports of ACOs who have not been trained on how to use an iPad (eg they have been provided with iPads to assist in the collection of data, but they either don't use them, or take twice as long as they should to collect information as they're not familiar with the technology)</p> |
| Subjective Nature of Assessment Rating | <p>General approach and overall assessment varies depending on the assessor, with multiple examples of subjectivity or influence of ACOs' personal values/pet issues</p> <ul style="list-style-type: none"> • Eg ACOs being passionate about recycling and reporting negatively in the report about a 2yo who put a banana peel in the wrong bin • Eg ACOs having personal views on equipment and asking for a full audit of equipment in a 90 place service because some of the outdoor equipment was still in the storage shed on the day of the issue as there is not space for all equipment to be used at once • Eg ACOs who have personal views on how philosophies should be articulated. A member who owns four services has had three of her services assessed and rated. All four services have identical philosophies. The philosophies were accepted for two of the services, but for the third service (assessed by a different ACO), they were asked to modify their philosophy as it was not deemed acceptable. • Eg ACOs having a preconceived idea about the presentation / layout of documents commenting negatively on critical evaluation and reflection being documented in a narrative format • Eg ACOs with a more traditional view of communications who comment negatively on programming and documentation being emailed to families rather than printed and posted on the wall (in a service trying to be paperless, consistent with their sustainability policy) • Eg Members in a particular area are convinced that their assessment and rating result is dependent on which ACO assessed and rated their service, not the service performance, based on their experience that a particular ACO telephones the service the week before the visit to warn them that the bar was so high that they should not expect to be assessed as high quality. |
| Inaccuracies in Reporting | <p>Eg a draft report making multiple references to technology use and children's use of ipads, despite the service not having iPads</p> <p>Eg a draft report making multiple references to sandpits in a service without a</p> |



| | |
|---------------------------------------|---|
| | <p>sandpit</p> <p>Eg services in small communities (where all owners/operators know each other) comparing each other's draft and final reports and identifying swathes of text that appear to have been cut and pasted, leading them to lose confidence in the process</p> <p>The rating not reflecting the commentary eg services who have shared their A&R reports with one another have identified matching commentary in their reports despite the corresponding rating varying between reports</p> |
| Photographs | <p>Multiple members have reported advising the ACOs that there are children at the service not to be photographed (not just parents who have requested this, but also directions from DOCs for children at risk) only to have the ACO dismiss their requests and proceed with taking photographs, stating that they are permitted to take photos as part of the assessment and rating visit. This placed the educators and nominated supervisors in a very difficult position, given that they were asked to go against parents' wishes and DOCs' directives. We have since resolved this matter with the Early Childhood Education and Care Directorate in an operational sense, however, Child Care New South Wales argues there is legislative inconsistency here that must be resolved.</p> |
| Time at the Service | <p>Ranges markedly from several hours to several days, not necessarily reflecting the size of the service</p> <p>Multiple reports of ACOs being 'rushed' and then contacting the service many times over the following days and weeks to request information that they had not obtained on the day.</p> |
| Insufficient Communication | <p>Eg multiple services in one area not being given a specific date and time for A&R visit, and having to repeatedly contact the office to confirm a date and time, right up to the days preceding the scheduled visit</p> |
| Staffing and Professional Development | <p>Repeated reports of services being marked down on annual performance reviews and staff appraisals</p> <ul style="list-style-type: none"> Eg being asked to undertake an annual performance review for staff who had only been there a matter of weeks or months Eg owners being told they should have had a performance review, but not having anyone 'above' them to assess their performance (whereas in community based services, there is a committee to undertake these assessments of nominated supervisors) <p>Reports of ACOs requesting letters from Registered Training Organisations and tertiary institutions be provided on the spot to 'prove' that educators at the service are studying, advising that enrolment papers and traineeship contracts are insufficient evidence.</p> |
| Expectations Management | <p>ACOs being extremely positive right across the day/s of the visit, leading staff to expect a positive result, only to be deflated and de-motivated when a negative report arrives</p> <p>In stark contrast to the above, we are also hearing reports of ACOs being extremely negative from the outset, telling the service that 'working towards' is a pass, and that they should be happy if they get it, suggesting to services that the ACO already has a view of what their result will be before even stepping foot in the service.</p> |

Appendix 14

Australian Childcare Alliance – Critical Reflection on Assessment and Rating

See below

Appendix 15

Australian Childcare Alliance – Red Tape in Long Day Care

See below



AUSTRALIAN CHILDCARE ALLIANCE – CRITICAL REFLECTION ON ASSESSMENT AND RATING - NQS

| Regulation | Issue Identified | Implementation/difficulty |
|--|---|--|
| OVERALL | <i>Gridlock anticipated in the system</i> | <p>The current Assessment and Rating process is heading towards a gridlock which if not averted, will demonstrate to the community that the system is flawed and families will lose confidence in the government’s ability to guarantee quality.</p> <p>At the present time after almost 18 months of assessments, 20% of the sector has been assessed. It would then follow that it will take five years for each service across all sectors to receive a rating under this current system. Add to this the number of services that have received the “working towards” result that will need reassessment on an annual basis, new services who can only receive a “working towards” result as the maximum rating and the gridlock becomes even more convoluted. From the My Child website we have identified that there are services that have not had an assessment since 2009.</p> <p>State/territory jurisdictions in the ECEC departments also must deal with new licenses, complaints, general operations, waivers (which will only increase with each phase of legislation change) emergencies and other standard duties apart from assessment and rating. Our information suggests that one assessor is currently able to carry out 10 assessments per year. This small number is largely due to the fact that many assessments are three days, time allocated to study the QIP, make contact with the service and prepare for the assessment prior to the visit and the substantial paperwork that the assessor must complete after assessment. It is estimated that three weeks of work time is consumed for one assessment. In 52 weeks of the year, each assessor may have 4 weeks holidays, two weeks public holidays, two weeks sick, one week professional development time and weeks backfilling on office duties for other assessors who are absent on their leave. Deduct the 30 weeks on 10 assessments and this obviously is not workable under the current assessment process. We have been advised that in New South Wales assessment visits are being deferred on a regular basis.</p> <p>The process is subjective and relies on assessors once back at their workplace reflecting on what they saw at a service and without dialogue between themselves, the services and educators, making subjective determination in hindsight. In addition, most assessors have less experience and early childhood education qualifications than the educators they are assessing which will provide some misunderstandings during assessment, even though assessors have been through training. A week of training cannot measure to four years of training in a specialist field and years of experience.</p> |
| <p>ACA Proposal: <i>That the Assessment and Rating process be re-evaluated to create a system that is less reliant on assessors’ subjective opinion. This will result in the services having greater capacity to critically evaluate, reflect and self-assess their practices and programs and to set even higher bench marks for early childhood education in diverse way, without raising costs for families. Assessor would provide the moderation of this self-assessment process. A more self-regulatory approach would build capacity of services to meet exceeding quality standards in a diverse way. A submission with suggestions for this change will be forward when completed.</i></p> | | |



| | | |
|-----------------------|--|--|
| <p>OVERALL</p> | <p><i>The roles of ACECQA, DEEWR and the States/Territories in implementing the NQF and their failure to address identified issues</i></p> | <p>Who is responsible?</p> <p>ACA is concerned that the relationship between ACECQA, DoE (DEEWR) and the State/Territory jurisdictions is confusing and imbalanced.</p> <p>When ACA, approved providers, educators are seeking an answer to a question it often is referred from one agency to the other with no definite outcome. The changes to legislation appear to be the jurisdiction of no particular agency. The States/DoE/ may refer to ACECQA and ACECQA may defer to the either of the others. Services when asking for assistance are advised to refer to “Best Practice” and use “common sense”. However these answers provide no insight into what this might look like. If we are going to use such nebulous terms, we need some exemplars upon which services can scaffold.</p> <p>The <i>My Child</i> website is where families are encouraged to access information on services which includes the Assessment and rating results of the service. <i>My Child</i> was recently allocated an additional \$2 million dollars to update the site. Considerable funds have been allocated to ACECQA to provide similar information. It appears to be an overlap and a waste of taxpayers’ funds and little clarification for services and families.</p> <p>The entire NQF is based on critical reflection and the ability to recognise and make changes for constant improvement. It is an ongoing process yet, the actual legislation and structure of implementation is so inflexible that it does not enable this to occur. In a system that could be working well, it is disappointing that no jurisdiction or body (ACECQA) are willing or able to take responsibility to act to quickly rectify identified aspects of the NQF that are clearly not working for all stakeholders and in particular for the children. An example of this is the concern that ACA expressed consistently upon the implementation of the Certified Supervisor process with a formal letter sent to all relevant State/Territory Ministers, ACECQA and Government in February 2013. Even though all agreed that it was not working not anyone had the ability or impetus to act.</p> <p>The government of the time insisted that there would be no “wind back” and consequently we still are wasting valuable human resources in the Departments to process these applications, services are still struggling to ensure that they have a Responsible Person <i>with a Certified Supervisor Certificate</i> at all times and educators have parted with \$2.04 million dollars in fees to apply for these certificates. This requirement is directing Department staff away from assessments to administering certificates which have no bearing on quality outcomes for children.</p> <p>If the NQF is to sustain with integrity, the system must respond more timely when an issue causing such waste of time and finances is identified and widely accepted as flawed.</p> <p>Similarly with the regulatory requirement to employ an ECT in every service by 1/1/2014. DoE has identified that there will be a shortage of available ECT’s and it will be a challenge for the sector. Why then was this not addressed urgently some time ago when identified? The sector will now be obliged to undertake an advertising program, at considerable cost, and apply for waivers which again will cause human resources and finances to be wasted. When an inordinate number of services will be operating under a waiver</p> |
|-----------------------|--|--|



after 1/1/2014, it is obvious the legislation is not working as intended and the very reliance upon waivers will undermine the integrity of the NQS. Durable legislation must be workable and fair.
Any action from the three relevant bodies (ACECQA, DoE, States/Territories) to address this glaring issue, has not been evident to the sector.

In the paper **Early Bird Catches the Worm: The Casual Impact of Pre School Participation and Teacher Qualification on Year 3 National NAPLAN Cognitive Tests**¹ P.27 4.4 The Role of the Pre-School Teacher Qualifications states “Among children who had attended a pre-school program in the year prior to formal schooling, average NAPLAN scores were highest among those whose pre-school teacher had a diploma-level qualification in early childhood education or child care, and lowest for those whose teacher had only a certificate-level qualification. Compared to children whose pre-school teacher had a diploma-level qualification, average NAPLAN test scores were slightly lower for children whose pre-school teacher had a degree qualification. However for most domains this difference is not statistically significant.” P.28 “.....At the cut point between Bands 5 and 6, children who attended pre-school with a teacher with a degree qualification in early childhood education had average test scores 19 points higher than children who had not attended pre-school, and children whose pre-school teacher had a diploma level qualification had test scores 25 points higher than children who had not attended pre-school.”

P.35 “In terms of later (NAPLAN) outcomes, preschool teachers/carers should have at least a diploma level qualification for maximal program impact.”

Is it therefore necessary to subject the sector to the onerous task of employing and Early Childhood Teacher by 1/1/2014 and another by 1/1/2020 if more training support were to be provided to our Diploma educators to continue with the exemplary work to which they are so dedicated?

The research document **Education In Australia 2012**² notes in its key findings P.17 that “in 2012 most children who were attending a Pre School were on track in developing the skills and behaviours they need to thrive in school and society. In 2012 for the five years measured, between 74.7% and 82.6% of children were on track....” P.20 “Nationally between 6.8% and 9.3% of children were developmentally vulnerable in each of the five domains in 2012”

This data was collected prior to the implementation of the NQF. The results can be improved but the report does indicate that the education and care delivered prior to the implementation of the NQF was already at a high standard and increasing the hours of attendance to 15 hours per week is deemed to be necessary to increase the aforementioned percentages.

¹Early Bird Catches the Worm: The Casual Impact of Pre-school Participation and Teacher Qualification on Year 3 NAPLAN Cognitive Tests: Diana Warren and John P. Haisken-DeNew MIAESR, University of Melbourne

²Education in Australia 2012: Five years of Performance Report to the COAG Council dated 21October 2013



| | | |
|--|--|--|
| | | <p>It is interesting to note that the Universal Access Program does not provide all children with a Pre School program as in several states none of the Universal Access funding has gone to children who attend an Early Childhood Education and Care Long Day Care Centre. P.21 states that overall 22% of all children (including those who did not attend a Pre School) were developmentally vulnerable.</p> <p>ACA supports improving and maintaining quality education and care for children and to address the needs of the most vulnerable children across Australia. ACA believes that instead of increasing ECEC opportunities to our vulnerable children, the opposite effect has occurred as affordability is a major barrier to many of these children attending an ECEC program. This has been caused by the hurried implementation of the over regulated NQF.</p> <p>Families using early education and care services at the current time are struggling to maintain their current level of workforce participation due to the rising costs of placing their children into an ECEC service. The previous government assessed that the costs of implementation of the NQF (including the NQS) would rise at 57c per day. This has already been surpassed considerably in the first year alone and is more likely to be \$15+ per day at the present time with costs to continue to increase as each critical implementation date is reached.</p> |
|--|--|--|

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ACA proposal: *That the roles of ACECQA, DoE and the State/Territory Regulatory Units be analysed to allow a determination of the chain of responsibility to ensure that the sector receives straightforward, timely advice when sought and to ensure that devolving accountability between agencies does not occur. The culture that has fostered a climate of fear of stakeholders speaking up because of fear of denigration needs to be addressed. There needs to be an open willingness to critically assess and accept that changes put forward may in fact enhance the NQF.*

That the true financial cost to governments of the operational costs of the NQF for ACECQA, DoE and State/Territory Regulatory Units is analysed against the outcomes of the NQF. Analysis of the operational aspects of each of the three agencies must ensure that funding is expended in the most appropriate way for the wellbeing of all stakeholders particularly the children.

| | | |
|----------------|------------------------------------|---|
| OVERALL | <i>Assessment and Rating visit</i> | A common thread from information received from services is that the assessor in the majority of cases does not ask the questions to determine the actual procedures of the service in all areas and consequently mark the service only on what they have witnessed during the visit. It is difficult for the assessors to see everything in the time they are at the service and ACA believes that assessors must query and question to obtain the full understanding of how the service is meeting each quality area. Failure to do this will not move the service to the next rating level. |
|----------------|------------------------------------|---|



On the negative side of assessments, some assessors have been reported as applying a tardy attitude by arriving late, leaving early, long lunch breaks and limited interaction. The assessment is very much determined by “point of time” assessors’ observations. Unless the assessor is diligent and questions thoroughly and seeks supporting documentation, the area is marked as “working towards”. It is common practice that more assessors do not seek the additional information than those who diligently seek the best outcome for a service. Other members have reported that there are assessors who continue to consider the visit a “compliance” visit and appear to ignore the positive work with the children to concentrate on their compliance agenda. Services are very hesitant to write comments on the behaviour or tardiness of the assessors as they fear repercussions. One assessor stated as she arrived at a service that she “drew the short straw” and was not looking forward to the assessment. Obviously she arrived with a pre conceived idea of the service operation.

Verbal feedback seldom occurs during an assessment and quite often the educators and Nominated Supervisor believe that, because no issues have been raised with them, they have done well, only to receive in three months time a “Working Towards” rating. ACA believes that a more collaborative process is essential for quality outcomes rather than the existing process where assessors return to their workplace to reflect, in isolation, on the service. The current system is fundamentally flawed and more discussion must take place on site for the service to provide additional information if the assessor has not witnessed it. Where inappropriate practices are observed this should also be reported and discussed with the Nominated Supervisor at the time if the interest of the child is paramount or it is going to lower the rating.

ACA does not believe that assessors work under the direction of “typical practice”. All educators are at differing levels in their personal and professional journey. This makes it extremely difficult for a service with many rooms to compete on the same level as a service with only two rooms. Assessors have expectations that all educators should be functioning at the same level regardless of length of tenure in the sector, qualification level and individual educator strengths. The sector is an employer of ESL educators and educators who require learning support. Assessors now appear to have a preconceived image of what an educator should be and unless all educators fit their “mould” services are being marked down. The difference in the number of educators being assessed could be 20 plus. It is also more difficult for a service with babies and toddlers to compete on the same assessment level as a service with 3 – 5 year old children who all attend for the same days each week in short sessional programs e.g. Pre-schools. As a result many long day care services have received a “working towards” result for not showing sustainable practices “embedded” in the babies/toddlers areas. Assessors and the authorities must recognise that there are limited times in a group of babies when several are not sleeping, feeding, changing or settling in. Research shows that programs for babies should be about developing secure attachments and routines. Very different in daily routine to groups with 3 – 5 year old children. This same problem occurs with “Community involvement” where educators are required to increase their engagement with the community to unrealistic levels thus taking their time away from engaging with children. There is no other profession or sector that requires staff to take time away from their core duties to be involved in community events.

Please refer to A & R Results for sessional Pre Schools and the comparison to LDC centres – Appendix A.



The work involved in preparing for our first round of assessment and rating has been exceedingly onerous. The unreasonable implementation dates for the Education and Care Services National Law 2010, Regulations 2011 which included the completely new National Quality Standards to be read, understood and implement has caused dissention amongst educators. The discarding of all of the paperwork from the NCAC system, reassessing practices, rewriting and adopting procedures and policies in line with the new law and regulations was problematic and burdensome.

ACA believes that the sector has done extremely well in attaining our current position with little to no assistance from government. Educators are proud of their achievements but express a strong desire to experience a settling down period wherein they consolidate their understanding of practices, policies, procedures, and additional paperwork that has been introduced with the regulations but most importantly, to spend time with the children in their care.

Assessment of children's records is not comparable in assessments across sectors as some educators at a 2:22 ratio for 3 – 5 year old children may, due to the casualisation of the female workforce or families having to make a patchwork of care arrangement due to the spiralling cost of formal care, have many children who attend for limited days each week. This results in that group having in excess of 50 children on the overall enrolment list. Irregular, low attendance of a child increases the difficulty in ensuring that documentation covers all learning areas. It must be recognised that children receive much more in a program than could ever be recorded for them individually. Assessors should, if concerned, spend some time with the child to assess their learning.

Inconsistency of assessors within and between jurisdictions is causing confusion when discussion is held with services that have experienced contradictory requirements and expected outcomes.

ACA understand this this is a difficult area to ensure a unified approach by assessors but this does add to the necessity for the service to have a more interactive opportunity to determine, through proof of undeniable evidence of the services assessment and rating knowledge.

Services have also reported concern that assessors target areas of the QIP where the service has recognised and identified that they need or want to change/or attend to their processes on certain elements. One assessor reportedly took a comment from the QIP, did not seek information from the service on the procedures they had implement after sending the QIP and gave the service "meeting" with substantiation of what was written in the QIP. Services must be honest with their QIP but assessors must ask not assume that the service has not addressed the issue.

The resulting reports are extremely comprehensive and it is obvious that the report writing process takes considerable time for the assessor to complete. However, these reports do not give the service the "way forward" to move to the next quality level but give more generic statements rather than offering practical suggestions.

We understand that there is a "cut and paste method" introduced by some jurisdictions to assist assessors in streamlining the process.



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| | | <p>A service reported that their report “spoke about the service’s rabbit”. The service has never had a rabbit. A “working towards” result for that assessor!</p> <p>The Quality Improvement Plan Notes are the most important aspect for a service to be informed on how to move forward. This requirement of assessors is “optional” and most assessors do not fill in this section – giving the service no idea how to attain the highest quality rating.</p> |
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ACA proposal: ACA is currently working with two other sectors on an alternative assessment system that will save time of all stakeholders and empower services to have more ownership of the A & R process.

However should the proposal attached not be accepted, ACA requests consideration be given to the following:

- assessors spend more of their time on discussing and working with the service on a plan to move forward and supporting them on their path to achieve the highest quality
- assessors seek information during assessment to assist services to attain their highest potential
- on the days of assessment there must be collaboration between the assessor and the service so that services have an indication as to how the assessor is viewing their rating and be given the opportunity to provide additional supporting evidence to substantiate their position as related in the QIP
- the Quality Improvement Plan Notes under each standard, currently optional, must be mandatory and the assessor provides meaningful and practical scaffolding for improvement
- a service needs to know immediately of any areas that the assessor has deemed “working towards” or lower so that they can immediately enact plans for improvement. Waiting up to three months for an indication of rating is not conducive to continuous improvement.
- a unified approach by assessors be prescribed
- “typical practice” be considered at all times e.g. if one educator appears to be “working towards” in an area when all of the others are meeting or exceeding that the “typical practice” rule would ensure that the higher rating is applied i/o the lowest
- consideration of an alternative assessment and rating process be determined for the difference in size and structure of service types.

The process is costly, time consuming for all involved (services, educators and state/territory governments) and subjective. ACA believes that the current assessment model must be reviewed to reflect the services self-assessment and QIP and remove subjectivity of assessors’ views from the overall process. The onus of proof with explanation would be with the assessor to moderate on the services

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| NQS | | |
| NQS | <p><i>The rating system</i></p> <p><i>Inequity between sectors</i></p> <p><i>Weighting process</i></p> | <p>The rating system is flawed as the overall result does not accurately reflect the true quality of a service. It is measuring the lowest quality rating of a service and ignoring the quality achievements.</p> <p>When a service’s rating automatically defers to the lowest ranking it is evident that the current weighting process is skewing the result. This process is identified by the number of services that are falling below the line and into the “Working Towards” rating and exacerbated by the inconsistencies between assessors.</p> <p>Despite the previous Government’s and ACECQA’s attempts to sell to the general public and services that “Working Towards” is a good result, it is still below the line. Below the line is a fail. In fact in South Australia if a private provider wishes to operate an OSH service</p> |



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| | | <p>on a school site it is written into the DECD tender document that they must achieve “<i>Meet National Quality Standards</i>” as a minimum requirement. ACA cannot understand why any government would subject the early education and care sectors to this disparaging system when the early childhood sector that we have is amongst world’s best and provides high quality care to Australia’s children. Our high quality system is now hampered by a flawed assessment and rating process that measures the lowest common denominator rather than quality. Whilst the <i>Excellent</i> rating and process appears to be the current focus of ACECQA, it is important to note that up to 70% of the sector is struggling with their <i>Working towards</i> rating. ACA believes that this disparity must be addressed as the priority. It is admirable if educators in a service wish to apply for an “Excellent” rating, however ACA does question whether this is of primary importance to families as their main concern is for their children to be safe, happy and well cared for by passionate educators. ACA questions the value of the “Tour of Excellence” currently being undertaken by ACECQA.</p> |
| <p>ACA proposal: ACA is currently working with two other sectors on a proposal for an alternative to the current system to provide services with more ownership of and commitment to the A & R process that empowers all stakeholders.</p> <p>The Assessment and Rating system should be a system of encouragement and assessment and a journey of self actualisation, not compliance and subjectivity particularly when the bar has been raised and the sector has been forced to implement the NQF in such a short period of time. If a service is obviously not meeting an element and it is affecting the outcomes for children, ACA support a corresponding result. However where one educator’s recording of documentation is accurate and substantial but not at the standard as her colleagues, the entire service can be marked down. This is evidence that “typical practice” is not considered.</p> <p>The system whereby the service drops to “Working Towards” if there is one element at this level is unworkable and unfair. A student in an exam does not drop to the lowest level for one incorrect or less than correct result. The service could be allocated a time to bring the element/s if there are less than an agreed number up to the “Meeting” standard. Often times this is due to the Sustainability elements which really do not reflect the learning of our children in preparing them for the school process as much if not most of the amazing information that we make available to the children in their learning journey will NOT continue into their school years.</p> | | |
| | <p><i>Assessors not meeting the 12 week timeframe</i></p> | <p>We have had reports from Queensland and New South Wales that services have not received their A & R reports in the required timeframe. ACA understands the pressure that assessors are placed under at this time but it is also pressure for services and their educators as they await their results. It has been commented that when a service has asked to change a date for assessment due to an unfortunate circumstance out of their control, no such consideration was given to the request by the Department.</p> |
| <p>ACA proposal: An assurance from each State/Territory Department that as this is a system that allows no consideration for a service, that the same respect be given to the requirement of each department to meet their commitment to the A & R process.</p> | | |

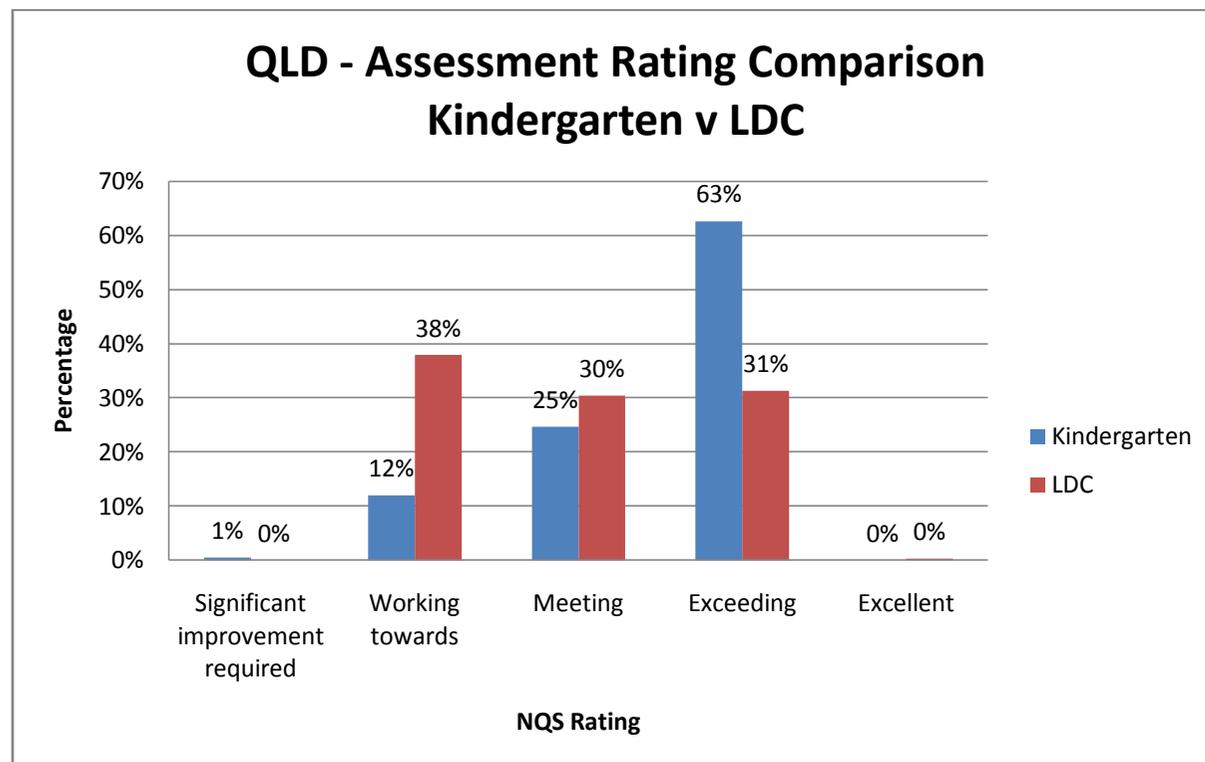


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| | <i>QIP comments used to mark down rating</i> | Services are increasingly advising ACA that they believe that if they nominate an area in their QIP on which they are continuing their journey towards improvement, assessors are picking up on these points and marking the service down at assessment. This does not encourage services to identify the areas in which they are continuing to strive for perfection. Assessors do not take into account the work the service has done since submitting their QIP. |
| <p>ACA proposal: Where a service has indicated in the QIP that they are continuing their progress on a particular area that the assessor must specifically discuss this with the service to identify at what point in this journey the service has reached since submitting the QIP.</p> | | |
| <p>ACA proposal: Where a service has indicated in the QIP that they are continuing their progress on a particular area that the assessor must specifically discuss this with the service to identify at what point in this journey the service has reached since submitting the QIP.</p> | | |
| | <i>Subjectivity of the assessment and rating process and assessors</i> | The entire system of Assessment and Ratings relies on the subjective reflections and opinions of individual assessors, many of whom have no qualifications in early childhood education. The result of this is not only inconsistent assessments across jurisdictions but inconsistent assessments within the same jurisdiction. It is not a collaborative process between the assessor and the service but more of a punitive “catch you out” process. There is evidence that in most jurisdictions services that are operated by the government are rated overwhelmingly higher than other services. Whilst there may be a number of reasons for this, from qualitative evidence ACA has received, assessors are openly stating that “the results reflect what they expected”. The implication is that they commenced their assessment with the belief that somehow the Government services would be of a higher standards and this is the evidence they were looking for when they carried out their assessment. By the same token, if they have pre conceived perceptions that other services or service types are not as higher standard, Assessors will look for evidence to support their belief. We have been told that one assessor stated on arrival at a service that she had “drawn the short straw” in getting that particular service for assessment. ACA believes that the published assessment and rating results that we have laboriously extracted from the assessment and rating results reflect this obvious bias and flaw in the system. |
| <p>ACA proposal: ACA is currently working with representatives from two other sectors on a proposal for a new process to empower services to save time of all stakeholders and to provide services with more ownership of and commitment to the A & R process.</p> | | |



QUEENSLAND @ 8/11/2013

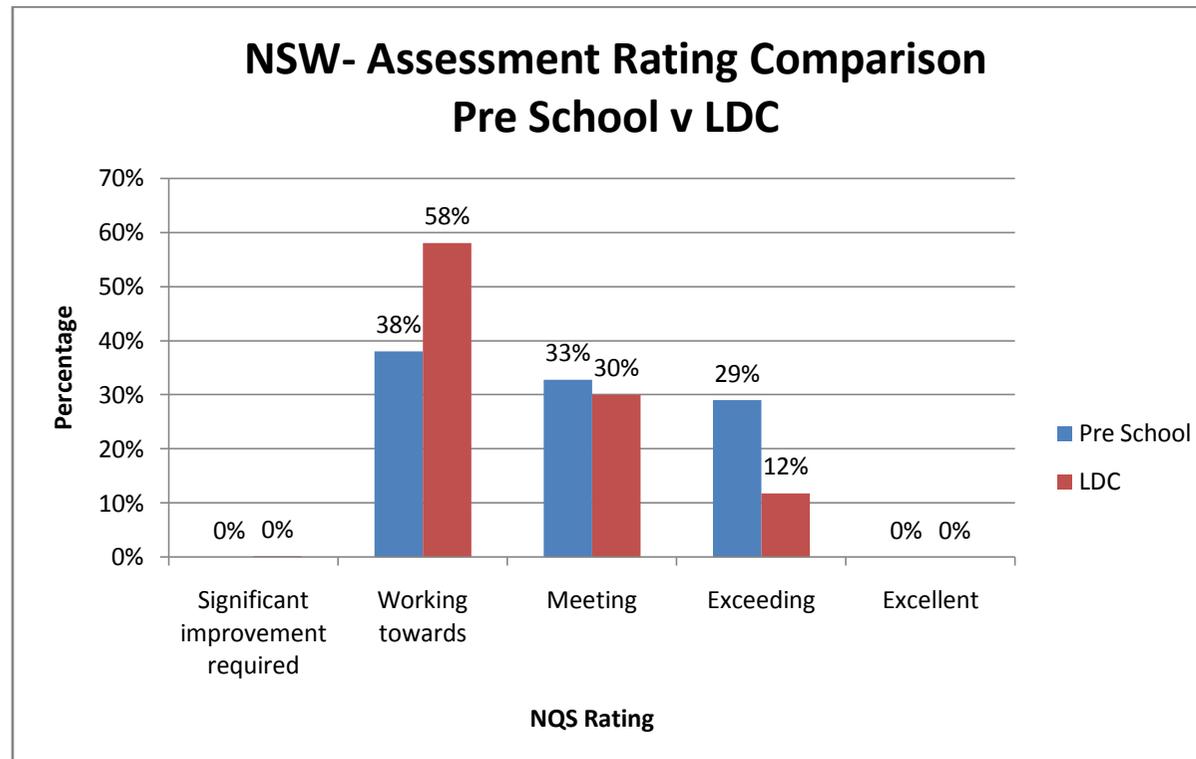
| NQS Rating | Kindergarten | | LDC | |
|----------------------------------|--------------|------------|--------|------------|
| | Number | Percentage | Number | Percentage |
| Significant improvement required | 1 | 1% | 0 | 0% |
| Working towards | 23 | 12% | 126 | 38% |
| Meeting | 47 | 25% | 101 | 30% |
| Exceeding | 119 | 63% | 104 | 31% |
| Excellent | 0 | 0% | 1 | 0% |





NEW SOUTH WALES @ 8/11/2013

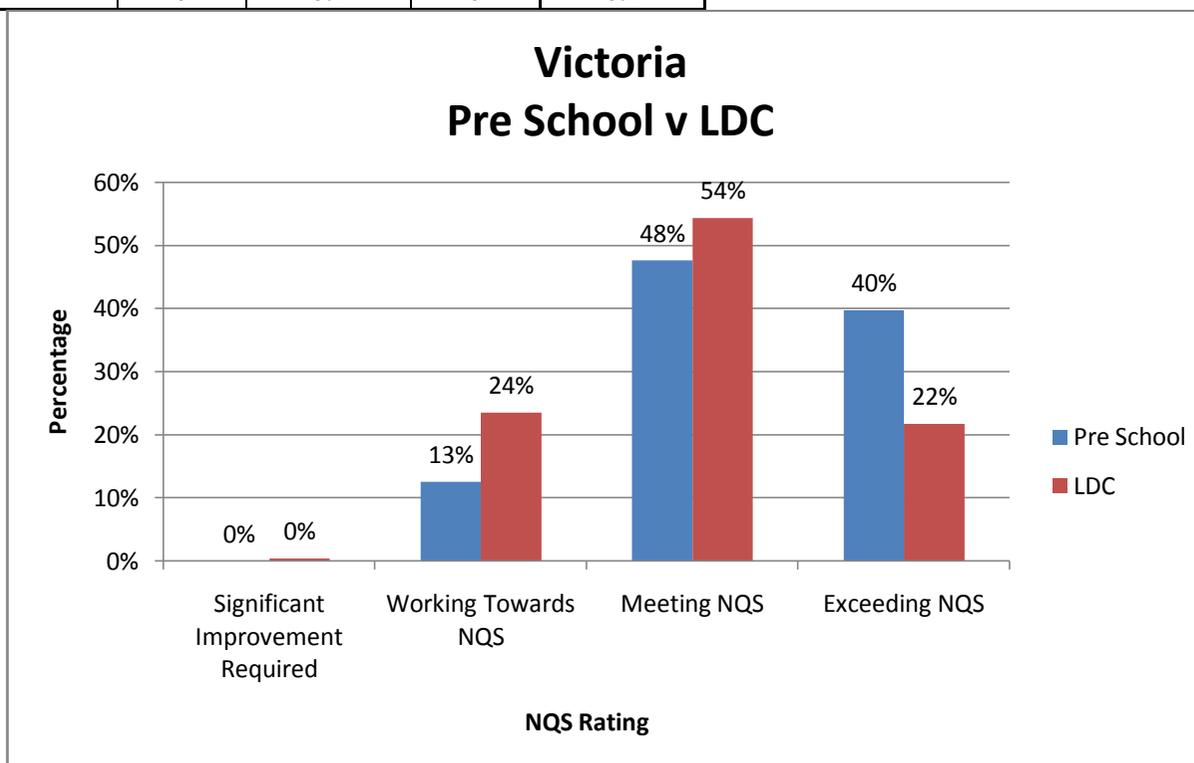
| NQS Rating | Pre School | | LDC | |
|----------------------------------|------------|------------|--------|------------|
| | Number | Percentage | Number | Percentage |
| Significant improvement required | 0 | 0% | 2 | 0% |
| Working towards | 81 | 38% | 630 | 58% |
| Meeting | 70 | 33% | 326 | 30% |
| Exceeding | 62 | 29% | 128 | 12% |
| Excellent | 0 | 0% | 0 | 0% |





VICTORIA@ 8/11/2013

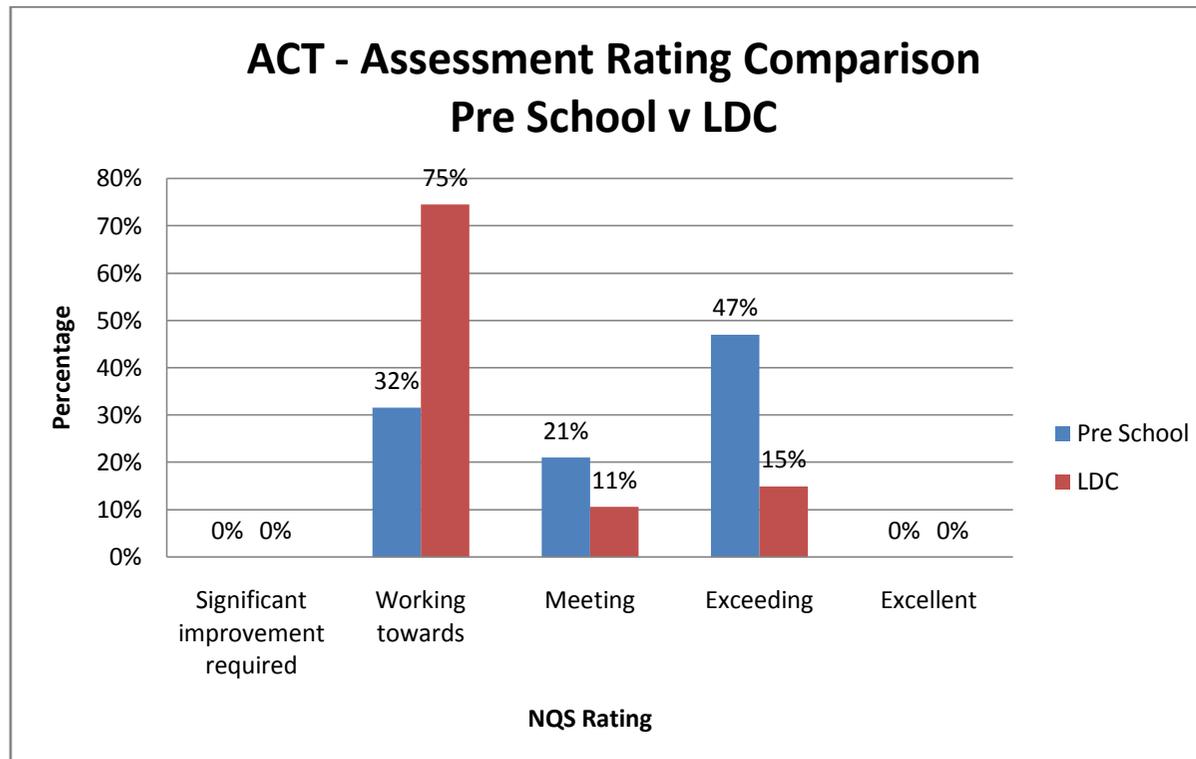
| NQS Rating | Pre School | | LDC | |
|----------------------------------|------------|------------|--------|------------|
| | Number | Percentage | Number | Percentage |
| Significant improvement required | 0 | 0% | 2 | 0% |
| Working towards | 56 | 13% | 103 | 24% |
| Meeting | 210 | 48% | 238 | 54% |
| Exceeding | 175 | 40% | 95 | 22% |
| Excellent | 0 | 0% | 0 | 0% |





ACT@ 8/11/2013

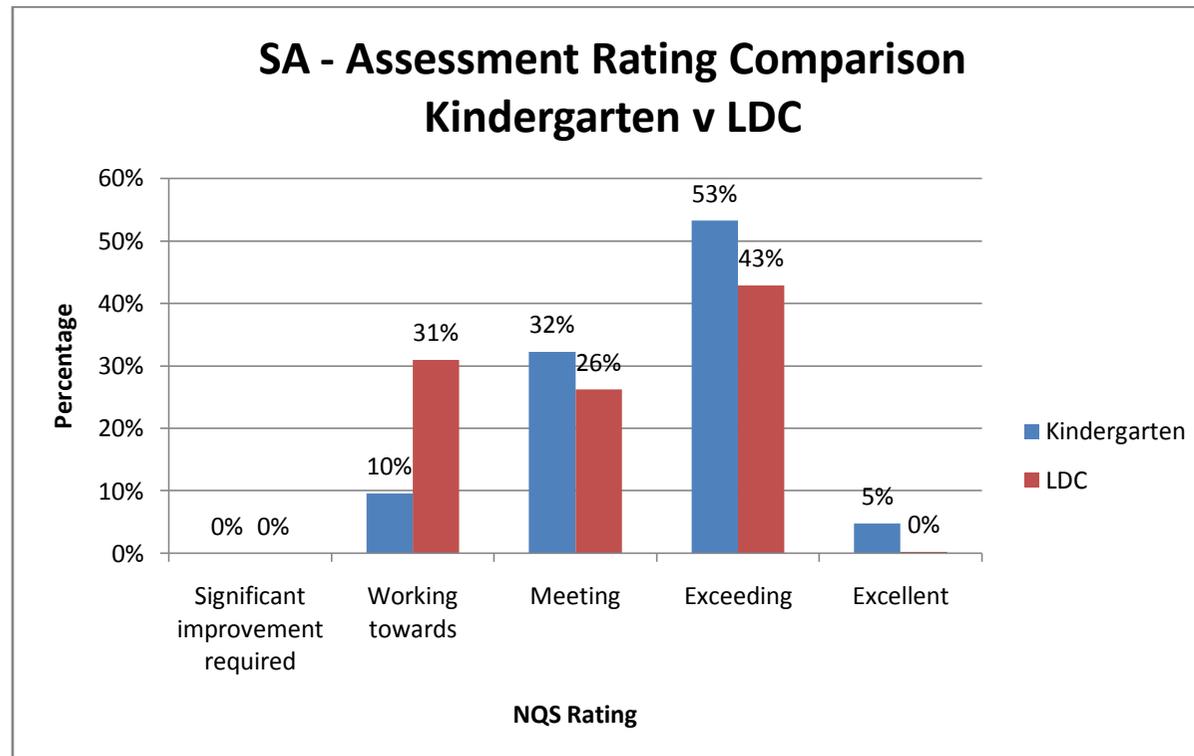
| NQS Rating | Pre School | | LDC | |
|----------------------------------|------------|------------|--------|------------|
| | Number | Percentage | Number | Percentage |
| Significant improvement required | 0 | 0% | 0 | 0% |
| Working towards | 6 | 32% | 35 | 75% |
| Meeting | 4 | 21% | 5 | 11% |
| Exceeding | 9 | 47% | 7 | 15% |
| Excellent | 0 | 0% | 0 | 0% |





SA@ 11/11/2013

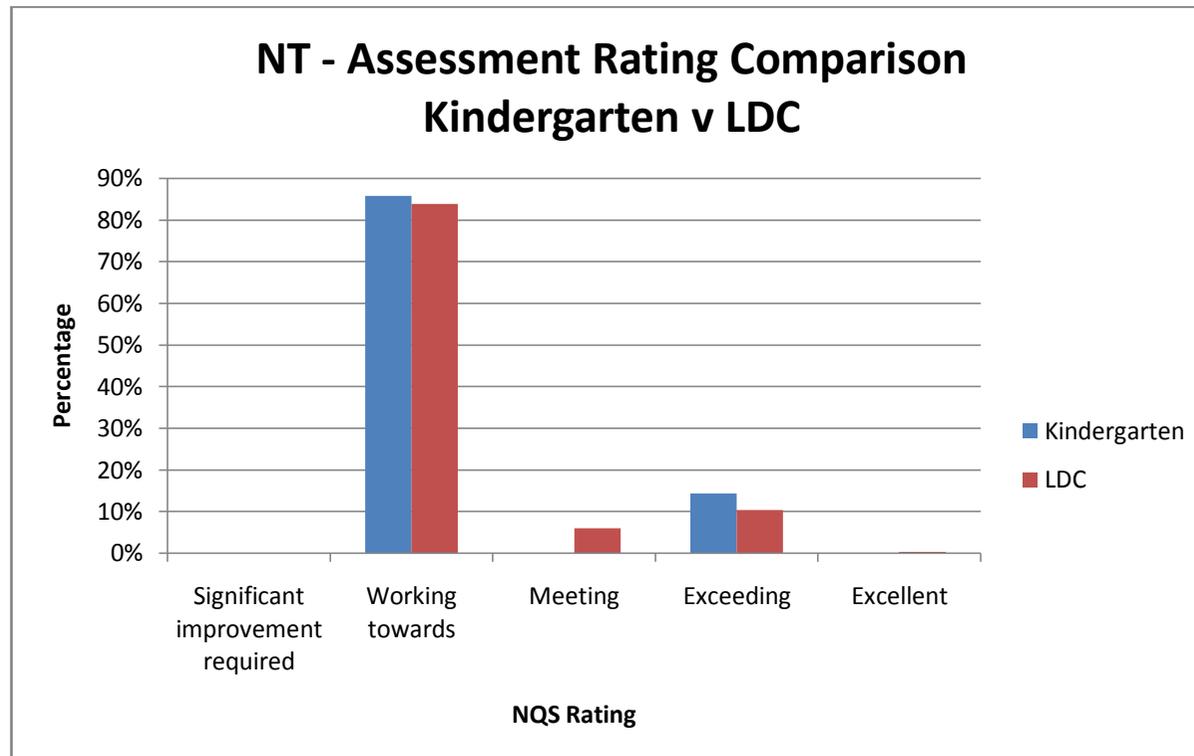
| NQS Rating | Kindergarten | | LDC | |
|----------------------------------|--------------|------------|--------|------------|
| | Number | Percentage | Number | Percentage |
| Significant improvement required | 0 | 0% | 0 | 0% |
| Working towards | 6 | 10% | 13 | 31% |
| Meeting | 20 | 32% | 11 | 26% |
| Exceeding | 33 | 53% | 18 | 43% |
| Excellent | 3 | 5% | 0 | 0% |





NORTHERN TERRITORY @ 12/11/2013

| NQS Rating | Kindergarten | | LDC | |
|----------------------------------|--------------|------------|--------|------------|
| | Number | Percentage | Number | Percentage |
| Significant improvement required | 0 | 0% | 0 | 0% |
| Working towards | 6 | 86% | 57 | 84% |
| Meeting | 0 | 0% | 4 | 6% |
| Exceeding | 1 | 14% | 7 | 10% |
| Excellent | 0 | 0% | 0 | 0% |





**WESTERN AUSTRALIA AND TASMANIA HAVE NOT BEEN INCLUDED
IN THE ABOVE COMPARISONS AS THE PRE SCHOOLS IN THOSE
STATES ARE NOT ASSESSED UNDER THE NATIONAL QUALITY
FRAMEWORK**

From the research document *Distribution of ratings* (November 2012: Evaluation of the Assessment and Rating process under the National Quality Standard for Early childhood Education and Care and School Aged Care : Australian Council for Educational Research (ACER).

6.

Overall, 47 per cent of services were rated at Meeting National Quality Standard or National Quality Standard. The ratings were distributed in the following way:

- Forty per cent of Long Day Care services were rated at Meeting or Exceeding National Quality Standard.
- Preschools met all elements more frequently than did other service types, with 50 per cent of Preschools being rated at Exceeding National Quality Standard.
- Close to 75 per cent of Outside School Hours Care services were rated at Working Towards National Quality Standard.
- Forty per cent of Family Day Care services were rated at Meeting or Exceeding National Quality Standard.

(This is early research from 2012 but clearly indicates from the start of the process that the criteria of the Assessment and Rating system is skewed towards a Pre School sessional model)



AUSTRALIAN CHILDCARE ALLIANCE – RED TAPE IN LONG DAY CARE

| Regulation | Issue Identified | Implementation/difficulty |
|---|--|---|
| OVERALL | <i>Mixed messages – from Government departments, Assessment Officers, RTO’s</i> | <p>Each state and territory jurisdictional authority and ACECQA have difficulty giving services definitive information in many instances which leaves services unsure of how to proceed.</p> <p>The structure of the system creates confusion as to who is able to give advice, state or ACECQA, and in many instances both authorities devolve the responsibility to the other resulting in services being no further informed. The common phrases used to advise services are “use common sense” and “Best Practice”. Both of which mean nothing to someone who is in doubt.</p> <p>To add to this, there is often tension between what registered training organisations teach and what assessors’ expectations are. There is no consistency and no one authority that is able to give services definitive advice or direction. Waste of human resource and finances.</p> |
| <p>ACA Proposal: Clear lines of responsibility for service support and advice between state jurisdictions and ACECQA are established. Professional Development assistance on the understanding of regulatory requirements would be welcomed by the sector.</p> | | |
| OVERALL | <i>Administrative burdens - Co-ordinators are now in fulltime administrative roles and no longer on the floor, quite often more than one is required to meet the administration requirements</i> | <p>The National Regulations were released in October, 2011 with implementation commencing on 1/1/2012. The first round of Assessments was commenced in July, 2012. Given the magnitude of these changes there was almost no professional development offered and services have been struggling through the implementation process. Services are seeking clarification as to what exceeding standard looks like in actual practice and the standard answer given is that authorities or agencies do not want to ‘prescribe’ or give examples as it may limit the scope of what services can achieve. This is of no use to services as they struggle in their quest to attain a goal that is invisible.</p> <p>The understanding, interpreting, changing, training, and documenting the complex new NQF is imposing a burden on all centres and is distracting from our delivery of high quality on a day to day basis. Owners, directors and educators are struggling. An understanding on the part of the previous Government on what it takes to effectively manage and implement change was obviously misplaced and indicates no practical understanding of how busy an early education and care service is under normal operating circumstances. e.g. All policies had to be re written, linked to the NQF documents and re sourced, documentation and procedures changed, thousands of pages of law and regulations to read and comprehend, a new Quality program introduced, professional development for educators increased substantially and additional staff employed to meet regulatory changes and to assist with paperwork.</p> |
| <p>ACA proposal: ACA state associations have worked diligently with members to provide workshops and meetings where points of the regulations were highlighted and explained by practitioners. ACA also provides telephone assistance to members however the task is extremely onerous given the complexity and knowledge base of the membership. Very little pertinent training was provided by the PSC’s and when provided, it was mainly delivered by academics without practical hands on experience in implementation. We understand that a portion of PSC funding is allocated to FDC and OSH to conduct workshops for sector specific training. The private sector receives</p> | | |



no such funding.

ACA suggests that a direction be given to the government funded PSC's that they provide rolling workshops at a reasonable cost, or allocate funding to the LDC sector, to ensure that services are able to have their questions answered and are made aware of the requirements and resulting breaches of the regulations. The training also needs to give practical exemplars of what meeting and exceeding look like so educators have a benchmark to which they can aspire.

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| OVERALL | <i>Assessment and Rating reports</i> | <p>The majority of services report that their A & R visit is a positive experience. The resulting reports are extremely comprehensive and it is obvious that the report writing process takes considerable time for the assessor to complete. However, these reports do not give the service the “way forward” to move to the next quality level but give more generic statements rather than offering practical suggestions.</p> <p>The Quality Improvement Plan Notes are the most important aspect for a service to be informed on how to move forward. This requirement of assessors is “optional” and most do not fill in this section – giving the service no idea how to attain the highest quality.</p> |
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ACA proposal:The solution suggested is that assessors spend more of their time on working with the service on a plan on how to move forward and supporting them on their path to achieve the highest quality. ACA is working with two other sectors on a proposal to revamp the current system to save time for assessors and to provide services with more ownership of the A & R process.

The Quality Improvement Plan Notes under each standard, currently optional, must be mandatory and the assessor provides meaningful and practical scaffolding for improvement.

This whole process is costly, time consuming for all involved (services, educators and state/territory governments) and subjective. ACA believes that the current assessment model must be reviewed to reflect the services QIP and remove subjectivity of assessors’ views from the overall process.

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| NQS 2.1.4 | <i>Staying Healthy in Childcare</i> | <p>The requirement for services to follow the recommendations of Staying Healthy in Childcare in the National Quality Standards is causing considerable confusion as no regulatory authority will clearly identify what is reasonable to adopt or to not adopt. Some authorities are saying it is a guide, others say use “common sense” but it is a document recommended through the NQS guide. This is causing educators to spend the majority of their time - washing their and children’s hands e.g. before and after using play dough, entering and exiting the sand pit every time, entering and exiting the playground, washing scatter</p> | <p>We require some clear, consistent application for this document as assessment varies between jurisdictions. Ensure that these guidelines are maximising educator’s opportunity to engage in meaningful, uninterrupted program.</p> |
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| | | cushions daily). There is debate by the medical fraternity that many of these measures are extreme and in some cases contrary to providing a natural environment for children to remain healthy. | |
| <p>ACA proposal: The sector requires some clear, consistent application for this document as assessment varies between jurisdictions. Ensure that these guidelines are maximising educator’s and children’s opportunity to engage in a meaningful, uninterrupted program. We have been advised that should a service conduct their risk assessments as to how they are managing health control without adopting the full document, that service would not attain the Exceeding rating.</p> | | | |
| <p>Chapter 6 Division 6 Reg.231 Sub. 2 Reg 177 1 (n)</p> | <p><i>Certified Supervisor process</i></p> | <p>The current legislation and process requiring certified supervisors to apply for a certificate has not contributed in any way to quality of care for children. The administrative burden placed upon education and care services and educators in applying for a certified supervisor certificate has directed valuable time and resources away from the actual time devoted to the children and families. The process has a raft of fundamental flaws that cause services to operate illegally under the law for example:</p> <ul style="list-style-type: none"> • 60 days for jurisdictions to process the applications. • The number of certified supervisors to comply with regulation to cover throughout the day and when educators are away ill, on holiday or leave employment. • Difficulty of small services and rural and remote services with potentially 2or 3 qualified educators to cover with a certified supervisor in operation hours e.g. 6.30 – 6.30. <p>Overwhelmingly jurisdictions are struggling with the administrative burden of issuing certified supervisor certificates. Many jurisdictions are turning a blind eye to the problem and saying they will not pursue services operating without certified supervisors if they have lodged their forms. This solution whilst offered in good faith still leaves questions of legality. We have not received written assurance that no action would be taken with regard to a breach of the National Law and Regulations.</p> <p>When certificates are issued they are sent to the applicant (the educator) and the service is unaware if they have been approved unless the educator informs. Jurisdictions are redirecting valuable resources away from their intended functions of compliance and assessment and rating of services which relates directly to quality outcomes for children to tend to this paperwork. Services and educators are spending a great deal of money to obtain these certificates; money that should be directed to the resources for children- away from administration. This time consuming and cumbersome process is causing providers, educators and licensing authority’s undue stress and concern as they struggle to remain operating in compliance with the law.</p> <p>We consider the publishing of the names and contact details of every certified supervisor on a National website a breach of privacy that can place our educators at risk.</p> | |
| <p>ACA proposal: The same outcome which is to have:</p> | | | |



'.... a responsible person at all times with adequate knowledge and understanding of education and care to children and the ability to effectively supervise and manage and education and care service...' (47 (b) (i)) will be achieved if the approved provider is delegated the responsibility to ensure the above in much the same way as they have the responsibility to ensure that the educators they employ have the correct qualifications for the position they are holding. Approved providers will still be legally responsible to ensure they are complying with all of the requirements under the Law, the only change being removal of the process and requirement for a certified supervisor certificate. Instead approved providers will keep records of who is in that role during the day, and display in the service who the responsible person is throughout the day. At present an educator may be considered legally responsible to take a group but not employed in the sector for sufficient time to be a Certified Supervisor. There is no justification of the current process and as it is agreed across all jurisdictions and organisations that it is not achieving the intended outcomes and only creating unnecessary administrative burden and stress, it must be abandoned as a matter of urgency.

Costs to educators to date amount to an incredible \$2.04 million in fees. Cost to state/territory regulatory authorities to administer the applications are immense. We also ask that the names and contact details of certified supervisors be removed from the National website.

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| Reg 246/7 | <i>Asthma, Anaphylaxis training now requiring VET qualification</i> | The additional mandated training in the new legislation has added significant cost to services. Services struggle to pay staff release time to attend plus course costs which, since being mandated to an actual unit of a VET qualification, has spiralled. Previously services accessed adequate training for educators in these areas which was a fraction of the cost of the current courses. In addition, there is fire equipment use training, fitting child restraints training, food handling training and more. All this additional training has left little time for staff and team meetings and other program related professional development. |
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ACA proposal: Services were accessing this training through other agencies prior to this regulation at reasonable cost. Since the requirement that only training attached to the VET code is acceptable, the cost has spiralled as training organisations now have a large cohort of clients compelled to use their services. It is more difficult in rural and remote areas as trainers require 10 participants to hold a training session.

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| 89; 90; 97; 100 | <i>Risk assessments</i> | The ambiguity of when a risk assessment is expected is leading services to increase their administration time/costs as they feel compelled to do a risk assessment on almost every situation. Services are required to complete risk assessments when their practices vary from Staying Healthy in Childcare. Whilst the regulations listed are the only risk assessments documented, under the law if we were to have an incident occur, a risk assessment on the activity would be required to substantiate our duty of care. |
|------------------------|-------------------------|---|

ACA proposal: Clarity required on when it is reasonable to expect a risk assessment to be undertaken in relation to the regulations.

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| NQS | <i>Embedded</i> | The unrealistic interpretation of assessors with regard to 'connecting' with the community in relation to sustainability. Educators are |
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| 3.3 | sustainability | <p>finding they are diverting their attention away from actually engaging with the children to planning how they are going to ‘engage’ the broader community in their sustainability program. Assessors are rating services low in this area even though services are connecting with recycle agencies, water authorities and such. There are no set bench marks or stated criteria that educators can draw upon as a basis for this element and this is causing a great deal of angst. Assessors are rating services low where their babies’ room have not, in their opinion embedded sustainability in the babies program, even where babies are using natural products, planting and involved in what the older children are developing in relation to sustainability. Again there is no bench mark given to educators as to how this is to be done and the consistency of assessor expectations varies radically. Services are redirecting a considerable portion of their budget to this area and educator hours are being also being directed away from actually engaging with children to researching how they can meet this nebulous element.</p> <p>The element says that sustainability must be “consistently implemented” – this is what we believe is being taken out of context.</p> |
| <p>ACA proposal: This is one of the most failed elements of the NQS. ACA requests that clear benchmarks of what constitutes each level are required as expectations by assessors on this element appear to be excessive and inconsistent within and across jurisdictions. Feedback when a service is not meeting this requirement should be comprehensive and provide insight for services on how to reach the next level so that unnecessary expenditure and time does not occur. The main concern is the inconsistency and the unknown requirements of assessors. This outcome for this element is substantially assessor driven. Our core concern is the education and care of our children and this element is becoming cost prohibitive and time draining. Is it the core concern of a service to involve/educate the wider community on sustainability? Embedding sustainability in the babies/toddler groups is an area that is often marked down. Consideration needs to be given to the time that these educators dedicate to settling small children, changing nappies, feeding, sleeping etc. Again not comparable with a standalone Kindergarten/preschool.</p> <p>Clearer requirements must be established and ACA recommends that less importance be placed on the service making links on sustainability with the wider community over and above those that a service normally is involved with e.g. local government, water, power, recycling. Consideration also to be given for the ages and groups of children in the service.</p> | | |
| NQS 5.1.3 | Collaborative Partnerships with Family & Community | <p>As with sustainability, this area has become extremely onerous on services. There is no beginning and no end to the requirement and services are expending huge parts of their budget on trying to meet the community content of this requirement. Whatever the “exceeding” desired outcome of an individual assessor is, services are unaware, and from service provider feedback this varies within and between jurisdictions.</p> |
| <p>ACA proposal: ACA suggests that there be a directive to regulatory bodies to ensure that services are totally aware of the requirements at each level of rating to meet the community requirement. This is not an ECEC services’ core task. The level that is required by some assessors would be almost impossible for a service to meet unless they had several additional staff.</p> | | |



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| | <i>Transitioning to school requirement</i> | Services are required to interact with their local schools to ensure that the transition to school for our children is seamless. This is not occurring as many of the state operated schools are not willing to meet with our ECT's/educators or to accept the transition reports completed by their ECEC teacher. For many children it will take the school a considerable period of time to identify learning difficulties, social concerns etc. of the children. This could be detrimental to a small child and they may fall further behind on the educational journey. | Our ECT's/educators are more than willing to complete transition reports and consult with the first year school teachers. ACA believes that instruction must be given to the state schools to ensure that the strong work that is carried out in the ECEC services is acknowledged and accepted to assist the child's progression into the formal school system. |
| ACA proposal: Our ECT's/educators are more than willing to complete transition reports and consult with the first formal year school teachers. ACA believes that instruction must be given to the state schools to ensure that the robust and valuable work that is carried out in the ECEC services is acknowledged and accepted to assist the child's progression into the formal school system. | | | |
| Reg 122 | <i>100% staffing at all times</i> | This regulation is difficult to achieve when there are not sufficient educators to fully staff each service in Australia. Two states have "rest time" provision which allow leeway from the 100% cover whilst children are resting. Replacing qualified with qualified for programming and other requirements during paid hours will be impossible at all times. Educators are on paid time whilst programming and on call to return to the room if required. | |
| ACA proposal: ACA requests that this regulation be examined against the success of the states with leeway during the rest period with a view to implementing this provision nationally. Consideration of the 100% coverage when educators are on the premises and programming will be necessary to ensure that services remain within the legal requirement of this legislation. A service cannot be expected to have additional staff available at all times to ensure that the 100% is maintained. | | | |
| Reg 126 | <i>New employees to be registered to study Cert III prior to commencement</i> | Commencing 1/1/2014 this will cause extreme hardship to services when they urgently need to recruit a new employee. It is impossible to sign up a recruit to a traineeship in one day – more appropriately 1 month. A new entrant to a traineeship must be employed to be signed by the government to the contract. This will cause excessive work and cost for the agencies and government involved in drawing up the Government traineeship contract, to have the new entrant leave in a short time as they have discovered that early childhood is not suitable for them. | |
| ACA proposal: That a period of three months grace before any new employee is required to sign for study of their Certificate III. This period of time is consistent with natural processes in any position for a new employee to consider their choice of profession and an employer's obligation to ensure suitability. | | | |



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| <p>Reg 118</p> | <p><i>Educational Leader</i></p> | <p>The Educational Leader (EL) is in most instances successful for services that have an ECT or a very special Diploma qualified Educator. But in reality many services are struggling with this requirement. It does take time from a staff member's duties to be an Educational Leader (additional cost to the service to ensure that correct child: educator ratios are maintained). Assessors' interpretation of Element 7.1.4 is that the Educational leader spends considerable time instructing and educating other educators to support and extend children's learning. Every service has to have or have access to an EL and under the current regulation a service that does not have someone who is extremely capable, must engage a less than appropriate person who is not capable of mentoring the team.</p> |
| <p>ACA proposal: A good Educational leader is an asset to a service. Inconsistencies of assessors' opinion on Educational Leaders duties are reported by services. With a shortage of experienced ECT's available to the sector, services are employing educators to fill this position, many of whom are new graduates with no actual workplace experience and not equipped with the knowledge and experience to lead others. The Educational Leader must be backfilled when mentoring and this adds considerable cost to services.</p> <p>ACA is concerned that as this person has a title, it will be targeted for an increased wage rate under the ERO. Additional cost to services – families. ACA is advised by members that it is causing friction and unrest in services when an ECT is considered the most qualified to do the mentoring but does not have the embedded experience in the LDC sector.</p> <p>A consistent approach to assessment of the duties of an Educational Leader is required and consideration for a set period of time if a suitable mentor cannot be engaged.</p> <p>The Educational Leader's name must be displayed in the foyer of the service and should an Educational Leader leave the service, time must be allowed for the position to be filled.</p> | | |
| <p>Reg 44 - 45</p> | <p><i>Waivers employment of ECT's 01/01/2014</i></p> | <p>It has been identified that there will be considerable tension across the sector for all services to engage an ECT by 01/01/2014. The process and cost of applying for a waiver is time consuming and costly for services and regulatory authorities. To compound the issue the implementation time frames of the Regulations are requiring increasing reliance on waivers to enable services to operate. Unless there is some transitional leeway afforded to the sector prior to 1/1/2014 on the requirement for all services to engage or have access to an ECT, the requirement for waivers will have the potential to overwhelm state/territory authorities. It will also be a considerable cost to the sector both financially and in human resources.</p> <p>Waivers for Educators are being declined due to unreasonable and costly advertising requirements. E.g. The NSW authority has determined that advertising must be specific to that particular waiver and to be approved for the waiver, services must advertise the position in both state and national papers. This advertising alone costs in the vicinity of \$1000 for two advertisements. There appears to be no consistent national approach to waiver requirements.</p> |



ACA proposal: Leeway in meeting this regulation by suspending the requirement to a more practical date when it is identified that there are sufficient educators must be considered as there will be a substantial number of services unable to recruit an ECT on or before 1/1/2014.

Consideration must be given for the absolute waste of finances that so many applications for waivers will incur to the sector and regulatory authorities. This also goes to the credibility of the NQF when services are increasingly relying on waivers because they cannot consistently meet the standards. Parents immediately suspect the quality provision of a service with a waiver. We do not want to see services “named and shamed” because the implementation of the legislation has caused this waver problem. ACA does not want to see the blatant waste of money and resources that waivers will bring as has happened with the Certified supervisor certificates e.g. \$2.04 million of educator’s hard earned money.

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| Reg 126 | <i>Having 50% of staff Diploma qualified</i> | Waivers required particularly in regional, rural and remote services. See cost of waivers above. |
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ACA proposal: Leeway is requested for services working towards their 50% requirement and transitional timeframe extended by a progressive % requirement e.g. 40% for a further period of 12 months or until it is evident that there are sufficient qualified educators in the region. This will in most instances apply to regional, rural and remote services and it will be vital for consideration to be given in order for them to remain in operation. In all areas it is sometimes difficult to recruit and the sector objects to having to employ an educator who is not appropriate for a position to work with children but may have the qualifications. (RTO issue)

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| Reg 74 | <i>Documenting of child assessment or evaluations for delivery of educational programs.</i> | The Early Years learning framework, although an excellent document, was developed primarily for preschool model services with sessional programs for 4-5 year cohorts for a maximum of 15 hours a week. The expectations of documentation of assessments and evaluations of children’s learning does not take into account the nature of long day care where children attend for extended hours between 6 am until 6.30 pm, have breakfast and lunch at the service, sleep during the day and which the educator is required to facilitate. The casualisation or part-time nature of the workforce today means in a long day care service, one educator may have as many as 45 children in their primary care group over the course of a week. The expectation that educators in long day care apply the same level of assessment and evaluation for each child as in a preschool is unrealistic and unproductive. |
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ACA proposal: Educators in the 3 – 5 year groups are buckling under the required paperwork to be recorded for each child. We understand the importance of recording the outcomes of the EYLF for each child however it is a huge impost on these educators and taking away from the core educator’s time spent with children. Many workshops are led by academics who have not worked with the day to day pressures of a practitioner. The majority of our educators are not academics and are overwhelmed by the academic approach. There is much confusion as to how much paperwork is enough – and this varies between assessors. Dedicated workshops are required to assist educators to document what will be acceptable across all regions whilst still maintaining the valuable core of the observation and reflection.



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| Section 107 | <i>Unencumbered Space Definition Change</i> | This new regulation is triggered with adverse unintended consequences particularly in SA, NSW, Tas. And WA by a change in approved provider or a renovation reducing licensed places by disallowing items such as cot rooms from the previous definition of unencumbered space. As an example of the consequences to Centres in SA when section 107 is inevitably triggered, centres will lose up to 17 licensed places threatening the viability of centres. The impact on parents and women in the workforce and employment in Centres will be equally devastating as available places shrink. Centres when confronted with this trigger will have to consider scrapping their cot rooms and not provide care for under 2s which at a ratio of 1:4 are already a heavy drain on the financial viability of a service. A considerable number of licensed under 3 places will be/have been lost anyhow with the ratio changes in 2012 and again in 2016. Most centres will stop renovating to improve the quality of their premises to avoid the resultant triggering of loss of places. This prevents continuous improvement in facilities that is supposed to be a cornerstone of the NQF. Centres are already finding they cannot sell their Centres to a new provider because that triggers a license reduction that threatens the very viability of the Centre and buyers walk away. |
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ACA proposal:Section 107 should apply to new Centre building applications only and not apply to existing licensed premises. The impost on services and loss of places is counterproductive. If a service was suitable to care for children before an approved renovation (which in itself will improve conditions for the education and care of the children), or a change in approved provider occurs, it should be suitable afterwards without reducing license numbers by triggering section 107.

The ACA proposal could be achieved by changing Chapter 7 of the National Regulations, which contains transitional and saving provisions specific to each State we seek amendments as follows:

- Part 7.6 for SA-delete section 337 (5) which states “ This regulation (exemption) ceases to apply if—
(a) the service approval is transferred to another approved provider; or
(b) the service premises are renovated.”
- NSW Part 7.3 section 287 (2) similarly needs to be deleted
- Tasmania Part 7.7 Section 353 (4) similarly needs to be deleted
- In WA the provision for exemption to Section 107 in Part 7.9 is permanently granted only to schools and ceases if that service is transferred to a non-school provider. Provide an exemption clause for existing non-school centres and delete this transfer trigger clause for transfer to the non-school sector. It appears that private enterprise is deliberately hindered by this clause in WA.



| Reg 16 | Criminal History checks | Approved Providers and educators are required to undergo criminal history checks in each state/territory jurisdiction they work. Additional cost and inconvenience. |
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| <p>ACA proposal: As the National regulations were not implemented as strictly National Regulations this is yet another area that is combative and not cost efficient for educators and employers.</p> <p>Approved providers and educators who work for groups across state/territory borders must have a criminal history check for each jurisdiction. There is a considerable delay in the gaining of the check which means a service employing a person who has lodged for the check but does not receive it for up to 6 weeks, is in breach. The same employee could already have a check from another state which is not accepted.</p> <p>A national criminal history check is urgently needed and surely would be more in line with ensuring the true criminal record of a person is obtained.</p> | | |

RED TAPE: The collection or sequence of forms and procedures required to gain bureaucratic approval for something, especially when oppressively complex and time-consuming.