

Submission to the
Productivity Commission

Childcare and Early Childhood Learning

from the

Isolated Children's Parents' Association
of NSW Inc



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Introduction

The Isolated Children's Parents' Association of New South Wales (ICPA-NSW) is pleased to contribute to the Productivity Commission's Enquiry into Childcare and Early Childhood Learning. In this submission, ICPA-NSW is focussing on item 2(b) of the Commission's terms of reference, being the particular needs of rural, regional and remote people for current and future preschool and childcare.

ICPA-NSW recommends the following:

Recommendation 1:

That data on demand for early childhood services captured in the AEDI is mapped against the supply of services to determine whether the market is failing in rural and remote areas to provide sufficient children with the opportunities of the Universal Access Guarantee.

Recommendation 2:

If the above mapping indicates that there is a mismatch between the demand and supply of early childhood services in rural and remote areas with respect to the Universal Access Guarantee, then the Productivity Commission determine the causes of market failure and how it might be rectified.

Recommendation 3:

That flexible funding models and regulations encourage the usage of underutilised school infrastructure and skills to provide low cost services that can withstand the variability of child cohorts in sparse rural populations.

Recommendation 4:

In rural and remote areas, government support pre-school travel on school buses. Need for access to pre-school and other early childhood services in rural and remote areas.

Many studies provide evidence of the importance of pre-schooling¹ across a range of outcomes including cognitive, social, health and wellbeing and personal. The Australian Government has responded with its Universal Access Guarantee – that all children, no matter where they live, should have the opportunity to access an early childhood service for at least 15 hours a week, 40 weeks a year.

Despite the rhetoric, it remains the case that in many rural and remote areas of NSW, children have no such opportunity. As a result, amongst the children attending pre-school, a significantly larger proportion of children in metropolitan areas are obtaining pre-schooling for over 15 hours per week, compared to regional, rural and remote children.

¹ In this submission, pre-school has the meaning commonly used in NSW as services designed towards the years prior to full time schooling, rather than the first year of full time schooling.

Weekly hours of NSW Children Attending Preschool in the Year Before School

Weekly Hours Attending	Major Cities	Regional and Remote Areas
Less than 10 hours	5604 (13.4%)	4731 (24.1%)
10-14 hours	11195 (26.8%)	5755 (29.3%)
15 hours or more	24919 (59.8%)	9174 (46.6%)
Total	41718	19660

Australian Bureau of Statistics, Pre-school Education, 2012

ICPA-NSW suggests that there are a number of factors impeding families from accessing the Universal Access Guarantee. However, this submission will examine two of those factors:

1. That due to weak market signals and funding models which fail to capture the complexity of rural and remote service provision, there is an undersupply of early childhood services in rural and remote areas with regard to the Universal Access Guarantee; and
2. To the extent that there are services, families are unable to access those services to the levels in the Universal Access Guarantee because of the travel and time costs involved.

In May 2000, the Human Rights and Equal Opportunity Commission in its National Enquiry into Rural and Remote Education endorsed the right of every child to an education that develops their attributes to their fullest potential.² However, despite this right, there are areas of inequity such that some children appear to have lesser educational opportunities to develop their potential than others. The discrepancy of performance of rural school students compared to metropolitan students in Australia is worse than OECD average³. The issue of this “remoteness gap” in education is so critical that the State, Territory and Commonwealth Education Ministers have agreed to make the issue a key priority for the Standing Council on School Education and Early Childhood.

Early childhood education has a very crucial role to play in narrowing the educational gap between rural and metropolitan areas, as well as improving a range of other rural health and social outcomes. National data from the Australian Early Development Index (AEDI) indicates that one in three remote or very remote children are vulnerable in one or more domains compared to one in five metropolitan children. ICPA-NSW suggests that the evidence strongly demonstrates that correcting this “remoteness gap” will require greater targeting of funding and assistance for rural and remote services, as the free market for early childhood services has shown that it will not sufficiently fill the gap.

Unless the government acts to enhance delivery in more sparsely populated areas, the uneven distribution of early childhood services will act to reinforce rural and remote socioeconomic disadvantage. The Universal Access Guarantee should, as the name suggests, provide a

² At page 29

³ Rural and Remote Education Literature Review, NSW Department of Education 2013

guarantee of rural and remote pre-school availability rather than be just another aspirational statement.

1. Undersupply of early childhood services in rural and remote areas, particularly with regard to pre-school and the Universal Access Guarantee.

Rural and remote areas of New South Wales have differing levels of population density, and therefore not one model of early childhood services is either suitable or sustainable in all areas. ICPA-NSW contends that if the market for early childhood services is operating efficiently, three basic types of service will arise in differing rural population zones of density. Those three services are:

1. In areas of higher population density, centre based facilities providing a range of services at one location;
2. In areas of lower population density, mobile based services travelling to provide a range of services at a number of locations;
3. As a final alternative, in areas of very sparse population density, families accessing pre-schooling via communications technology in their homes through distance education.

ICPA-NSW joins the Mobile Children's Services Association of NSW Inc in seeking that demand and supply of early childhood services be mapped. The AEDI captures data on demand and supply of early childhood services. ICPA-NSW submits that by mapping AEDI data against the current availability and type of early childhood services, a picture will arise as to whether the optimal number and types of early childhood services are sufficiently developing in the above three population density zones, with a view to families having the benefits of the Universal Access Guarantee. If it appears that insufficient services are developing, then ICPA-NSW recommends further enquiry determine why the market combined with additional government funding programs such as the Commonwealth Budget Based Funding Program (BBFP) are failing to establish the services required for the Universal Access Guarantee to be satisfied.

Recommendation 1:

That data on demand for early childhood services captured in the AEDI is mapped against the supply of services to determine whether the market is failing in rural and remote areas to provide sufficient children with the opportunities of the Universal Access Guarantee.

Recommendation 2:

If the above mapping indicates that there is a mismatch between the demand and supply of early childhood services in rural and remote areas with respect to the Universal Access Guarantee, then the Productivity Commission determine the causes of market failure and how it might be rectified.

Without wishing to pre-empt the results of the above exercise, ICPA-NSW contends that in rural and remote areas, the market mechanism of aligning demand and supply of early childhood services is often failing, even after additional funding programs such as the BBFP. This market failure may arise because:

- child populations can be highly variable from year to year, potentially leading to lumpy funding if that funding is student centred;
- Centre based funding is similarly lacking the flexibility to deal with growth and decline in numbers. In mobile services, funding structures are often inadequate to encourage growth, being both demand for visits to new locations, or more frequent or lengthier visits to existing locations.
- parents of small children have problems accessing early childhood services due to the distances to be travelled and the lack of government travel support (as opposed to school child travel which attracts far greater government support for private or school bus travel);
- small populations can fail to send clear market signals to providers;
- mobile and centre based services may be underfunded, or inefficiently funded with respect to their unique circumstances;
- there may be a lack of trained skills in certain areas and an oversupply in other areas;
- services in some areas may have developed for historical reasons and may no longer be well matched to community need; and
- staff skills may be difficult to import into outback NSW from the coast and cities.

The Commonwealth Budget Based Funding Program (BBFP) is designed to establish services where the market is not operating efficiently, and there is demand for services that would not otherwise be met. However, ICPA-NSW submits that the BBFP is insufficiently funded to correct the market inefficiencies of rural and remote areas.

For reasons stated above, if the delivery of early childhood services is below optimal in rural and remote areas, then these services are unable to sufficiently provide to the populations who are most in need. Government spending and intervention on the market provision of services in rural and remote areas will likely provide greater returns than current government spending in some other areas, as remedial education, social, health and justice services (which expenditure is all rendered more likely following inadequate provision of early childhood services) are all so expensive to administer in remote Australia. Funding incentives that reward innovation and creativity for delivering high quality services in challenging contexts are desperately needed.

Solutions to rectify market failures and inefficiencies in rural and remote areas will need to overcome variable child populations, sparse population density and large distances. To the maximum extent possible, existing infrastructure and skills should be developed.

A potential solution to increase services in rural and remote areas is to more efficiently use existing infrastructure and other educational “capital”. Many small rural towns have unutilised space in schools that could be used in the delivery of early childhood services.

For instance, in towns such as Louth and Wanaaring in North Western NSW, there are underutilised school classrooms, trained early childhood teachers living in those towns, and cohorts of 4 year olds. The trained early childhood teachers could be used not only in early childhood services but also in early stage school teaching so as to better utilise their skills. However, no early childhood services have been established at the local schools, and the only services delivered are mobile play sessions which come into these towns for only three to four hours per fortnight from the larger town of Bourke. ICPA-NSW believes that through creatively using the existing capital in these towns, the Universal Access Guarantee could potentially be achieved for the local children. However, it appears that the existing forces under current funding structures have been inadequate to make this happen.

Recommendation 3:

That flexible funding models and regulations encourage the usage of underutilised school infrastructure and skills to provide low cost services that can withstand the variability of child cohorts in sparse populations.

2. Travel and time costs of accessing rural and remote services.

The table on page 3 indicates that even amongst NSW children who are accessing pre-school, a majority of metropolitan children are obtaining the 15 hours per week described by the Universal Access Guarantee, while only a minority of regional, remote and very remote children are. ICPA-NSW suggests that part of the reason is that, unlike school, in NSW pre-school has no government support for travel schemes.

Despite the fact that school buses travel rural routes transporting older children to school, parents are left to provide their own arrangements for pre-schoolers. Commonly, parents drop children onto the school bus and then follow that bus into town driving their pre-schoolers to their service. Alternatively, often young children don't access the early childhood services due to the cost of travel, as well as the time for the parent away from paid or unpaid work. In remote areas where distances are large, commonly the parent has to wait while the child attends the service, because the distances are too great to allow two return trips in the same day. The outcome is that even where regional and remote children do access early childhood services, they do so for fewer hours per week than metropolitan students.

This cost of access to pre-school is a regional productivity issue, as parents are removed from paid and unpaid work to drive children to a service and return twice a day, or alternatively remain near the service's location while their child participates. For instance, to provide children with pre-schooling at a level commensurate with the Universal Access Guarantee, a parent may have to drive their child to a service on two or three days of the week, and return five to eight hours later to pick up their child, amounting to several hours out of the workforce.

Many of these parents live on school bus routes that pass the front drive of rural residences on the way to the local school. The marginal cost of these bus services picking up pre-school

aged children is only a fraction of the cost of parents driving their children to pre-school. In recognition of this fact, the Brennan Review into NSW funding of pre-schools of 2013 recommended:

The Government currently provides services such as the Private Vehicle Conveyance Scheme and the School Student Transport Scheme to help school-age children get to school. It should consider extending access to these services to [remote and rural] younger children to help them participate in early childhood education, especially when these services are co-located with schools.⁴

ICPA-NSW recommends that reducing the cost of access through the government support of travel, particularly in school buses where the cost of that support is only a small fraction of the cost of parent travel (in both direct cost of travel and also loss of paid or unpaid work time) should be closely examined.

Recommendation 4:

In rural and remote areas, government support pre-school travel on school buses.

⁴ Review of NSW Government Funding for Early Childhood Education, 2012, page 47