

# ***Productivity Commission Terms of Reference: Scope of the Inquiry***

*In undertaking this Inquiry, the Productivity Commission should use evidence from Australia and overseas to report on and make recommendations about the following:*

- 1. The contribution that access to affordable, high quality child care can make to:
  - a. increased participation in the workforce, particularly for women*
  - b. optimising children's learning and development.**
- 2. The current and future need for child care in Australia\*, including consideration of the following:
  - a. hours parents work or study, or wish to work or study*
  - b. the particular needs of rural, regional and remote parents, as well as shift workers*
  - c. accessibility of affordable care*
  - d. types of child care available including but not limited to: long day care, family day care, in home care including nannies and au pairs, mobile care, occasional care, and outside school hours care*
  - e. the role and potential for employer provided child care*
  - f. usual hours of operation of each type of care*
  - g. the out of pocket cost of child care to families*
  - h. rebates and subsidies available for each type of care*
  - i. the capacity of the existing child care system to ensure children are transitioning from child care to school with a satisfactory level of school preparedness*
  - j. opportunities to improve connections and transitions across early childhood services (including between child care and preschool/kindergarten services)*
  - k. the needs of vulnerable or at risk children*
  - l. interactions with relevant Australian Government policies and programmes.**
- 3. Whether there are any specific models of care that should be considered for trial or implementation in Australia, with consideration given to international models, such as the home based care model in New Zealand and models that specifically target vulnerable or at risk children and their families.*
- 4. Options for enhancing the choices available to Australian families as to how they receive child care support, so that this can occur in the manner most suitable to their individual family circumstances. Mechanisms to be considered include subsidies, rebates and tax deductions, to improve the accessibility, flexibility and affordability of child care for families facing diverse individual circumstances.*
- 5. The benefits and other impacts of regulatory changes in child care over the past decade, including the implementation of the National Quality Framework (NQF) in States and Territories, with specific consideration given to compliance costs, taking into account the Government's planned work with States and Territories to streamline the NQF.*

*\*The changes to family structures also enhances the importance of high quality care that is readily available; especially for single parents who may not have a support network, as well as ESL families*

## Response

Access to affordable high quality education and care for one's children is essential for parental engagement in the workforce. Child care enables parents to work, particularly mothers, and provides early educational experiences for children which influence children's learning and development (Shonkoff & Phillips, 2000). Therefore child care decisions should be considered alongside parental employment decisions. Most families choose long day care owing to work commitments (ABS, 2013).

Consequently, the decisions parents make to engage in paid work, or not, are important for the child's learning; the child's well-being and the family's well-being which contributes to the prosperity of Australian society. It is important that the child care is of good quality and acceptable to the family, and enhances the child's positive learning experiences. The quality of care can be an emotional barrier to workforce engagement (Harris, 2008) and this, in turn, impacts upon maternal wellbeing in the workplace (Craig, 2007). Care that is of an acceptable quality to the mother is a key factor in promoting or preventing workforce participation (Coffey, 2004) as it impacts on maternal well-being in the workplace (Craig, 2007) and the family's well-being at home. Harris (2008) reports women feel emotionally torn by the decision to support their family financially at the cost of placing a child in a non-parental care setting that is deemed as unacceptable.

Being able to access care when required to return to paid work is an important. Some mothers return to work earlier than intended because they are offered a place at a long day care centre which may not be available when parental leave expires. This can cause considerable parental distress (Boyd, Thorpe & Walker, 2013). This study showed some women cut short their entitled parental leave to take up an offer of a place in a child care centre in case the place was not available at the time when required. Spaces for children need to be available at the time of the parents' arranged return to paid work. For women, the timing of return to work, the availability and quality of care, the social attitudes and policy manifestations are all potential influences on decisions regarding engaging in paid work (Boyd et al, 2013)

Parents mostly have reported being satisfied with childcare in Australia (for example Berthelsen, 2000; Bowes et al, 2004). These studies sampled women after childcare choice was made. Investigating satisfaction with care after parents have made their care decision may reflect their response to the available care- there is the possibility that this research captured post hoc rationalisation of choice (or even gratefulness) for the care.

Within any decisions about parental engagement in work or study parents will consider the best available options for their child's care. This may be parental care- where the parents juggle their time at work/study; informal care (by a relative or friend) or formal care such as long day care or family

day care. Whatever the choices the government should consider providing care that is in the best interests of the child. Children thrive when they are in care that supports their wellbeing, learning and development provided by caregivers who are able to provide good quality care. What is required in Australia is being able to access good quality care. This is the bottom line. Care needs to be of good quality at all times responsive to the child and supporting the child's learning and development.

Research released by Community Child Care Cooperative (NSW) shows that in November 2013 community based not-for-profit child care centres are outperforming for-profit child care in terms of provision of quality care. The following table indicates the outcomes from the National Quality Framework for 1378 long day care and preschool services in NSW:

Quality Outcomes	Exceeding National Quality Standard	Working Towards National Quality Standard
Not for profit	84%	19%
For profit	16%	80%

There are many reasons for the success of community based not for profit services including re-investing monies back into the service, more likely to employ above the minimum child care regulations, more likely to pay higher wages and have better working conditions for staff which leads to higher rates of retention of staff. The staff are the most important asset in child care settings, and it is important to support them in the workplace.

Community based services are run by a committee of parents and are more likely to be responsive to the parent community in terms of hours of operation, types of services offered and more accountable to the parents regarding the quality of the children's learning and development. Many community based services have changed from preschools only open for 6 hours per day to long day care centres open for 10 hours per day in response to the increased needs of mothers (parents?) to engage in paid work.

The National Government should make long term plans for the introduction of more community based not-for-profit services as they are clearly providing better quality education and care. This means cutting back the for-profit centres whose main interest is to make money out of families who require care for their young children. Additionally, community based services are more inclusive and more likely to enrol children with diverse needs and abilities.

The previous Government took important and significant steps for the improvement of early childhood education and care in Australia. When the Rudd government came to power in 2007

Australia was ranked 22/25 by UNICEF on the Report Card by UNICEF in 2008 for early childhood education and care, and scored poorly in the Starting Strong II Report OECD (2006). Since that time the COAG have worked hard to introduce an early years curriculum framework, and reviewed the accreditation system to how have a National Quality Standard. There are ongoing improvements planned until 2020 for early childhood education including changing ratios, and these steps should continue to be implemented

Therefore the next steps for early childhood education and care in Australia must include the continued implementation of the quality standards of the National Quality Framework as minimum accreditation; continue to implement all qualification improvements for staff; and continue staff to child ratio improvements as per the existing timeline.

There should be continued adherence to the implementation of the National Quality Framework and the following changes to the current models should be made to support all children in Australia:

- increase the number of not-for-profit community based early childhood settings, and
- reduce the number of for-profit child care centres

### **Qualified staff**

All early childhood settings require university qualified and trained staff. There needs to be considerable investment in the pay and work conditions of staff in early childhood settings. Qualified early childhood teachers' wages and work conditions need to be on par with their counterparts in primary and secondary schools. The university education and training of an early childhood teacher is just as rigorous as a primary school teacher, and the work just as complex. Improving pay and work conditions will also improve the standing of early childhood teachers, and support retention in the workforce. This will cost money but it is essential to the quality of education and care.

## **Bibliography**

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