



SDN Children's Services Response to the Productivity Commission Inquiry into Childcare and Early Childhood Learning 2014

1. Introduction

SDN Children's Services is a not-for-profit organisation established in 1905, and is one of Australia's most experienced and trusted leaders in early childhood education and care.

SDN provides mainstream early childhood education and care services in NSW and the ACT through our long day care centres and pre-schools, in addition to our services for children with disabilities and families facing challenges, and our support services for other children's services providers.

Our mission is to:

- provide high-quality, inclusive early childhood education and care. This means our services are safe, affordable, inclusive and as inspiring as possible
- strengthen families and communities. This means we build strong connections within communities
- address inequalities faced by children. This means we challenge discrimination and help remove barriers to full inclusion.

We operate all our services in an integrated way as literature shows this has the best outcomes for children and families.

SDN particularly supports the submissions to this inquiry by Early Childhood Australia, Australian Community Children's Services (ACCS), Community Child Care Co-operative NSW, Brotherhood of St Laurence, the Institute of Early Childhood at Macquarie University, the Secretariat of Aboriginal and Islander Child Care (SNAICC), and the NSW Children's Services Forum.

SDN is pleased to have the opportunity to make its own a submission to the Productivity Commission Inquiry into Childcare and Early Childhood Learning, and

makes the following comments as well as responses to specific questions in the issues paper (see section 6 below).

2. SDN's integrated services

SDN operates 23 long day care centres for children from birth to six years that also deliver a pre-school program, and two stand-alone pre-schools, in total educating and caring for more than 3,300 children each year.

An additional 3,200 children in our other children's services benefit from the advisory and support work we do. Without our services, these children would likely have been excluded from care. This program work is funded by government, including the Federal Department of Education (\$6m per annum) and the NSW Department of Education and Communities (\$2m per annum).

SDN works with more than 1,700 services in addition to our own, with the aim of reducing inequalities for children and families. This program work is funded by the Federal Department of Social Services (\$400,000 per annum) and the NSW Department of Families and Community Services (\$9m per annum).

Our annual revenue from child care fees is approximately \$25 million, representing 60% of our total revenue of \$42 million. Across the whole organisation, we employ 543 permanent staff and 135 casuals, of which 124 are university-educated early childhood teachers (including the directors of our children's education and care centres, and teachers in advisory roles), 107 are diploma-trained early childhood educators, and 273 are early childhood assistants with or working towards an approved Certificate III qualification. SDN also employs 42 social workers and 6 allied health professionals, as well as our professional support staff.

3. Policy outcomes for three audiences

SDN believes any review of policy and potential shifts in funding for the early childhood sector needs to be tested against the outcomes achieved for each of children, families, and the community as a whole.

Good early childhood education and care that is delivered well will provide benefits for children **and** their families **and** the community. Realising these benefits for all three audiences is both the beauty and the challenge of this area of public policy.

Any proposals from this inquiry will need to be tested against the outcomes for each of children, families and communities, with the aim of balancing and maximising the outcomes as far as possible for all three. Any changes should not be to the detriment of one of the three groups.

Quality early childhood education and care is not just child care or babysitting, it intentionally supports the development and education of children so they maximise their individual potential, and provides the most gain for the most vulnerable children.

Maximising the outcomes for children by investing in quality early childhood education and care is an important public policy issue, and the introduction of the National Quality Framework (NQF) addresses this.

Quality overlaps with the public policy issue of women's participation in the workforce, indeed families' participation in the workforce in general, but the two remain separate issues. Improving access to and affordability of early childhood education and care services will support women to join or return to the workforce, but must not reduce the **quality** of the education and care by rolling back the minimum requirements of the NQF.

Our community's overall health, wellbeing and social cohesion is advanced when those families not already in the workforce are given the most support to be a part of and contribute to society. Access to affordable early childhood education and care is essential to achieving this, but only if the education and care is high quality. Evidence shows that low quality education and care is actually detrimental to children, and impacts their capacity to contribute to society in the future. This means

funding to only improve access and affordability, without considering quality, may prove to be counter-productive in the long run.

4. Overview: best practice approach to providing education and care

There is considerable body of evidence from studies worldwide which have consistent conclusions. As outlined in the submission to this inquiry by the NSW Children's Services Forum, which SDN fully supports, the evidence shows us that:

- Children learn more in the first five years of their life than at any other time
- Children who access quality early education and care perform better academically at school
- Investment in early education and care delivers high economic returns
- Access to early education and care ameliorates educational economic disadvantage.

4.1 Quality is important in early childhood education and care

The early intervention literature and brain research over several decades have demonstrated that the quality of environments that children experience in their earliest years is related to their future outcomes.

The best outcomes for children occur when education and care starts from birth, and when that care is of high quality. Research shows that 80% of brain development occurs before the age of three, and 90% before the age of four (MCEETYA, 2010, *Engaging Families in the Early Childhood Development Story*). It's not just cognitive skills that develop rapidly during this period, it's also the skills needed as the basis for lifelong learning and social skills.

Studies of early childhood education and care interventions for disadvantaged children show very clearly that there are both short and long term positive effects on the outcomes for those children who access high quality early education and care.

Importantly, it's not just that access to high quality early education and care can improve outcomes, evidence also shows that low quality education and care can actually lead to worse outcomes. Research by the Organisation for Economic Co-operation and Development (OECD) shows that children in low quality services are more likely to have language, social and development problems (*Starting Strong:*

Early Childhood Education and Care, OECD, Paris, 2001, and *Starting Strong II*, OECD, Paris, 2006).

In Australia, the NQF is built on the Early Years Learning Framework (EYLF), and after considerable consultation was agreed by COAG in November 2008 as the national curriculum for children aged from birth to five years and through the transition to school, for implementation from 1 January 2012.

The EYLF describes the principles, practices and outcomes essential to support and enhance young children's learning from birth to five years of age, as well as their transition to school. It recognises the importance of communication and language (including early literacy and numeracy) and social and emotional development.

The EYLF is an evidence-based best practice framework, integrating long day care and pre-school approaches, and is embedded in the NQF's independent assessment and rating of service quality.

The evidence also shows that quality of services is positively correlated with the level of qualification of the educators. Highly qualified educators and teachers provide the quality learning environments that are not necessarily available in a 'care-only' environment, particularly when carers do not have extensive knowledge of child development and pedagogy. For this reason, the NQF also sets out the minimum requirements for qualifications and educator to child ratios.

The NQF has now been in operation for just over two years, following a three year implementation lead time. Services who are serious about delivering quality education and care are committed to and have already invested in achieving, if not surpassing, the standards required by the NQF.

The NQF provides a nationally consistent, evidence-based framework of quality education and care in order to deliver the best possible start for our children. Why would we deliberately choose to offer our children any less?

4.2 Access and affordability

While the NQF provides us with best practice for delivering quality education and care for children, the issues of access to and affordability of that quality education and care are issues for families, and in particular affect parents and carers wishing to join or return to the workforce.

It is important to recognise that quality of education and care, and access and affordability are separate public policy issues, and should not be conflated. Both are necessary. Rolling back the NQF will negatively impact on education and care outcomes for children, particularly children from families facing disadvantage. In addition, it will not address issues of access and affordability – these need specific policy and funding responses.

The main issues impacting on participation in an early childhood education and care service are availability of a suitable service, and the affordability of that service.

Access to and affordability of early childhood education and care affects the ability of parents (mainly women) to participate in the workforce. However, simply creating ‘more care’ or ‘cheaper care’ for the sole purpose of supporting women back into the workforce will not achieve the best outcomes for children, and in particular won’t address the barriers for many people experiencing disadvantage.

The biggest gain for children **and** families **and** the community will come from investing in access to affordable quality education and care for families experiencing disadvantage, including children with disability and their families, vulnerable families, and Aboriginal and Torres Strait Islander families. This can be achieved by reallocating current funding to support those who are not currently accessing education and care services due to cost barriers.

The strategies for increasing women’s participation in the workforce need to support the lowest income families in particular to access high quality education and care (which will also improve the outcomes for the children) as well as improving the family’s overall economic circumstances, and reduce their potential reliance on government support and allowances. This approach will also deliver the biggest return on investment for the whole community.

This means the best overall outcomes for families will come from policy decisions that give priority to the issues that are creating barriers for women not currently working and which support them to join the workforce. This in turn increases the overall number of women in the workforce, spreading the economic and social benefits to more families, not just those already in employment.

4.3 The role of government

The early childhood education and care sector in Australia has a relatively high reliance on market provision. Governments have two forms of intervention available to them, indirect and direct. Indirect intervention includes the Child Care Benefit and Child Care Rebate, leaving the market to develop and deliver services.

This reliance on market forces does not meet the needs of those children who, the evidence tells us, will benefit most from accessing quality education and care – children from families with low socio-economic status, who are vulnerable, children with disability, and children from Aboriginal and Torres Strait Islander Families.

SDN believes the role of government is to directly intervene where the market can't or won't supply; for example in rural and remote areas, in areas where there is high demand and supply cannot be expanded, or where market forces mean the service would be unaffordable for the particular resident population.

This is not only because this is where we can achieve the best return on investment in quality education and care, but also because families facing disadvantage are the least likely to be able to afford quality care, and are more likely to live in areas where affordable education and care is not available.

A more detailed discussion of the impact of demand-side funding of the early childhood sector can be found in Early Childhood Australia's discussion paper, *Early Childhood Education and Care in Australia*, prepared for the European Union-Australia Policy Dialogue, 11–15 April 2011.

5. Policy implications for government

Given a limited pool of resources, government funding and policy support should be directed where there is market failure, which is where the greatest gains can be made for individual children and families as well as the community as a whole. The focus should be on directly supporting early childhood education and care services to increase the participation of families experiencing disadvantage, by improving the affordability of services for those families and increasing the number and location of services.

For those families who are not experiencing disadvantage, government support should only be through additional (new) indirect funding (which could be redirected from the proposed paid parental leave scheme), allowing the market to meet much of the demand.

Our specific recommendations are:

Recommendation 1:

Commitment to the National Quality Framework

SDN fully supports the National Quality Framework – it is accepted as best practice for delivering quality of education and care, and should not be rolled back or watered down. Rolling back the NQF will negatively impact on education and care outcomes for children, particularly children from families facing disadvantage. At the same time, this approach will not address issues of access and affordability – these need specific policy and funding responses.

Recommendation 2:

CCB and CCR combined and paid to service providers

The means tested Child Care Benefit (CCB) and Child Care Rebate (CCR) should be combined into one payment with a base amount and then a sliding scale that is means- tested. The combination of these two payments alone would reduce an administrative burden on services. The administrative burden would be further reduced by streamlining the payments, for example making the calculation of the benefit more transparent and less changeable so families' fees can be more easily calculated. Payments directly to services on a regular schedule will give a more

secure cash flow for services, particularly smaller services. One of the benefits for all families is that their cash outlay for fees is reduced (rather than, for example claiming back CCR on tax). This is a particular benefit for families where the parents are not working and need the immediate reduction in cash outlays.

Recommendation 3:

Support services to deliver quality education and care

Funding should be targeted at services in areas with very vulnerable populations for additional university qualified teaching staff and family support services, so they can offer enhanced education and care services. This is particularly important for services working with children with disability and their families. Services should also be supported to build their skills, knowledge and confidence to include children who are vulnerable and/or have higher support needs than the general population.

The market is failing to support these children and families, and government intervention is required in order to make quality services for families facing disadvantage more affordable.

This funding should be provided directly to service providers (preferably not-for-profit service providers as this is public money), with allocation of the support being based on SEIFA ratings and existing methods of calculating loadings such as the pre-school loadings in NSW. Current funding such as Special CCB and the planned funding to support the extension of the Paid Parental Leave system could be restructured and reallocated to be more targeted towards services in areas of need, and to be more flexible, for example removing the artificial cap of 18% of children within any one service receiving Special CCB.

Recommendation 4:

Budget based funding for specific services

Budget-based funding for specific services, such as the Multifunctional Aboriginal Children's Services (MACS) and mobile services, should be continued and expanded. SDN supports the recent Early Years Pathways proposal by SNAICC for a ten-year commitment to funding integrated Aboriginal-specific services.

Budget based funding specifically supports services being delivered where the market is failing families, and is another example of where the government needs to intervene.

Recommendation 5:

Support for more physical locations in the areas that need them

Policy and financial support is needed so services can build and operate services in identified disadvantaged areas, which may include use of Crown land (such as primary schools) at very low rents, encouraging rental subsidies through tax benefits for landlords, and working with local governments to streamline planning and development approval processes for early education and care services. This is another example of market failure, and the location of these services should be planned based on a range of demographic data including SEIFA rankings and the Australian Early Development Index. This will increase the number and location of services and improve affordability in those areas that will give the best outcomes for families and the community, and take pressure off existing services which will benefit all families.

6. Issues paper consultation questions – specific responses

Within the context of our preferred model outlined above, SDN makes the following specific responses to the consultation questions:

Government involvement in childcare and early learning

- What role, if any, should the different levels of government play in childcare and early childhood education?
- What outcomes from ECEC are desirable and should be made achievable over the next decade?

Access to affordable, high quality early childhood education and care encompasses several public policy issues that must be assessed against the outcomes for each of children, families and the community. As a public good, the role of government is to indirectly support the operation of the market through regulatory oversight and means-tested allowances, preferably paid directly to services, and to directly support services to operate where there is market failure. Please refer to section 4.3 ‘The role of government’ above.

The outcomes from early childhood education and care over the next decade must be positive educational outcomes for **all** children, including children from disadvantaged backgrounds, children with disability, and children from Aboriginal and Torres Strait Islander families. For families, the outcomes must include increasing the number of women participating in the workforce by enabling access to affordable quality education and care. This means focusing on supporting more women to join the workforce as well as supporting women to return to the workforce. The benefits from both of these outcomes will flow to the whole community.

‘The Nobel prize winning economist James Heckman has pointed out that not only does investment in young children promote fairness and social justice, it also offers broader social and economic benefits: increasing productivity, raising earnings and promoting social attachment, with returns to dollars invested estimated to be as high as 15-17 per cent.’ (Australian Human Rights Commission, 2007, *It's about time: Women, men, work and family - final paper*)

International models of ECEC

- how the models affect child development outcomes and workforce participation
- the cost to government, families and the funding arrangements
- the types of providers and the financial viability of these
- the regulatory framework, particularly for quality assurance of providers, the facilities, and their staff.

The literature review suggests that European countries are more committed to supporting early childhood education and care through policy and funding. Most European countries provide all children with at least two years of free, publically funded provision of early childhood services before they begin primary schooling. As an example, for OECD countries in 2013, Australia and Ireland spent 0.1% or less of GDP whereas Denmark, Iceland, Israel and Spain spent 0.8% or more, with the average being 0.5% of GDP.

The main difference in public spending between the Nordic countries and the 27 EU member states is that the Nordic countries' main focus is on the youngest children, as part of a policy designed to help families with dual breadwinners by making it possible for women to go to work.

SDN's Research, Evaluation and History Unit has undertaken an extensive literature review on this issue – please refer to Attachment One to this submission.

Who uses childcare and early learning services and why?

- The Commission is seeking evidence on the effect of the different types of ECEC, including separate preschool programs, on children's learning and development and preparedness for school
- are there families from particular household structures, socioeconomic groups or geographic areas that are now using some forms of ECEC significantly more than in the past?
- which types of families are likely to require significantly more or less use of ECEC in the future?

The Inquiry should note that in most states and territories in Australia, pre-school is run separately to long day care. This is not the case in NSW. For example, SDN offers long day care with intentionally planned pre-school programs delivered by university-qualified teachers. The NQF is built on the assumption of the delivery of education and care in the same setting.

As outlined in the section 4 “Overview” above, the evidence consistently shows that access to quality early education and care can ameliorate the effects of economic disadvantage.

Loeb et al (*How much is too much? The influence of preschool centers on children’s social and cognitive development*, 2007) say that exposure to centre-based education and care appears to be ‘one of the most effective interventions for advancing poor children’s learning’. The authors go further to say that,

‘Attending high-quality child care appears to boost children’s developmental trajectories leading to speculation about the possibility of its closing achievement gaps... Researchers have compared various care arrangements including centres, Head Start pre-schools, licensed homes, or individual caregivers to determine which might hold the most promise for improving cognitive and social-behavioural outcomes. Centre programs appear to offer the most benefits for poor children’.

The Australian Institute of Health and Welfare states that children missing out on early childhood education are more often represented among disadvantaged families. Those less likely to be participating in early childhood education and care were children from Aboriginal and Torres Strait Islander families, and children from non English-speaking backgrounds (AIHW, *A picture of Australia’s children*, 2012).

Children for whom English is a second language, for example, tend to have the lowest baseline scores and seem to make the greatest progress during pre-school, which suggests that exposure to high quality early childhood centre based education provides the opportunity for certain groups to ‘catch-up’ before they start primary school (Sylva et al, *The Effective Provision of Pre-school Education: The final report*, 2004).

For children with disabilities, the evidence indicates that participation in a high quality early childhood education setting can be associated with lower rates of

special education placement in later years (Meloy and Phillips, *Rethinking the role of early care and education in foster care*, 2012). Children with disabilities enrolled in mainstream settings make at least as much developmental progress as they do in non-inclusive settings while at the same time achieving greater progress in the areas of social competence and communication through their interaction with typically developing peers (Buysse and Hollingsworth, *Research Synthesis Points on Early Childhood Inclusion*, 2009).

Families of children with disability face the longer term issue of child care for children with high support needs, as many programs are for children up to 12 years. While children may continue to access these programs after this age, the programs often do not have adequate resources or facilities to support these children, and there are few alternatives.

We refer the Inquiry to the Early Childhood Australia and Early Childhood Intervention Australia joint *Position Statement on the inclusion of children with a disability in early childhood education and care*, 2012, for a more detailed discussion of this issue.

Children's development needs

- How does the amount of time spent in ECEC and the age at which a child first enters childcare impact on learning and development outcomes?
- Would extending the length of the school day have a significant impact on children's learning and development outcomes or parents' workforce participation decisions? What other impacts would such changes have?

The evidence shows that duration of attendance in a service is important. High quality early childhood education combined with longer duration has the strongest impact on development (Sylva et al 2004).

An earlier start (under age 3 years) is related to better intellectual outcomes. Children who start early childhood education between the ages of 2 and 3 experience a 'cognitive boost' that is still evident when the child starts primary school (Sylva et al 2004 op cit; Loeb et al 2005 op cit; Sammons et al, *The impact of pre-school on young children's cognitive attainments at entry to reception*, 2004).

The Effective Provision of Pre-school Education (EPPE) project in the UK found that full-time attendance doesn't lead to better gains for children than part-time attendance does (Sylva et al 2004 op cit). Loeb et al (2005 op cit) say that '...while half day programs may be beneficial for children from higher income families, full day programs better serve children from lower-income families (Loeb et al 2005)'.

SDN already offers play-based educational programs within a long day care setting, with opening hours usually 7.30am to 6.00pm, so many children already attend for 8 to 10 hours each day.

Availability of childcare and early learning services

- how the sector has responded to growth in demand, including changes to types of care offered, cost and pricing structures used by different types of providers, and any viability pressures
- the key barriers that are inhibiting an expansion in ECEC services where demand is highest, development of more flexible ECEC, or alternative models of care
- approaches to managing childcare waiting lists that have been shown to be successful.

A major cost for any new centre-based service is the capital cost of building or renovating premises to be suitable for use as an early education and care centre and meet all regulations, not just the NQF. If the property is not owned by the service, then there is an ongoing rent requirement.

Many not for profit and community providers have historically relied on government funding for or provision of the physical locations for a centre, and/or ongoing rent at a very low rate.

SDN's experience is that in recent years, state and local governments are tending to withdraw their investments in early education and care services by increasing rents to market rates, and no longer investing in building new centres.

As a not-for-profit organisation, we do not have the surplus cash to invest in building new sites, and any increase in rents is a direct operating cost that needs to be recovered through an increase in fees. This actually makes some services unviable, particularly those we operate in lower socio-economic areas.

This trend applies to other employer-provided services sites, such as government departments and tertiary institutions which have provided the location within their premises as well as subsidising the fees for their staff and students. The location may continue to be provided, but fee subsidies are being removed, with families being required to pay full market rate.

The impact of this withdrawal of investment and support is being felt by families, and the uncertainty of rents is a disincentive to providers to expand.

Most of SDN's services are located in suburban areas, particularly inner city Sydney. Real estate prices are high and continue to increase, so the option of purchasing land is not viable. New locations need to be made available from new sources, such as Crown land (e.g. on the grounds of public schools), or as part of the approval for new developments in targeted areas, and offered at low rent to not for profit and community providers. This then represents a loss of revenue to government and employers, rather than cash expenditure.

Flexibility of childcare and early learning services

- the extent and nature of unmet demand for more flexible ECEC
- the reasons why current providers are not offering more flexible care options
- the experiences of providers who offer flexible care options and their management strategies to maintain financial viability
- the outcomes of the Child Care Flexibility Trials and circumstances under which successful approaches can be replicated
- affordable approaches to improving flexibility, including innovative options that could involve new provider models.

For providers to deliver cost-effective services, there needs to be a degree of predictability in the use of those services. Flexible services can be delivered but would be at a higher cost to families.

For example, at SDN children are enrolled for regular days each week in particular age-related rooms. This allows us to recruit and roster staff based on the required staff-to-child ratios and qualifications, based on the known number of children in each room and the known mix of ages.

Also, our centres are approved to provide a certain number of places for children of certain ages, based on physical constraints such as the size of rooms and outdoor play areas, as well as other facilities such as cots for infants. This reduces the flexibility we have within each of our centres to simply accept children of any age.

Further, the vast majority of our own workforce is female, and service delivery outside regular hours impacts on their ability to care for their own families, so we would have limited availability of staff to work irregular additional hours.

Opening for flexible hours for shift workers, such as night shift workers, would have quite a few operational implications. As we would be expecting any children in our care to be sleeping overnight, it's not possible for us to deliver the all-important educational component of our services, so this would be pure child care or baby-sitting. This doesn't require qualified teachers, so we would need to recruit a different mix of staff specifically to manage these overnight services, including additional cooks to prepare hot dinners and breakfasts. We would also need to reconsider our equipment and fittings, for example our centres are only equipped with folding beds for naps, and are not suitable for overnight sleeping. And of course our centres are mostly located in suburban areas, so our neighbours may not appreciate a centre filled with small children operating 24 hours per day 7 days per week. Providing flexible solutions is not as simple as just opening for longer hours.

One option being discussed in the media is home-based care, which can be more flexible for families but raises concerns about ensuring that quality education and care is delivered for the children.

The research on home-based care, including family day care, as compared with centre-based care is patchy but indicates that children in home-based care have significantly poorer attainment compared with the children attending centre-based services. The research suggests the strongest impact is on language development and early number concepts (Sammons P et al, *The impact of pre-school on young children's cognitive attainments at entry to reception*, 2004).

SDN's view is that any formal system of home-based care be aligned as far as possible with the National Quality Framework, given that the NQF represents known best practice standards for early childhood education and care. The NQF already

covers family day care services, however other in-home care such as nannies are not covered by the NQF, or indeed any regulations or minimum standards.

It is also SDN's view that for any education and care service to be eligible for either indirect or direct government funding, it must fall under the NQF, so that all children in paid, formal early education and care services have access to qualified staff with specialist expertise.

This means that for the use of nannies to be eligible for government funding, such as CCR or CCB, they must be appropriately qualified and registered as a nanny, with formal supervision and monitoring processes and structures in place. Being connected to management and infrastructure will also support nannies if assessment and referrals to other services are needed, such as speech therapists or occupational therapists.

As the evidence indicates that centre-based services provide better outcomes for school readiness, nannies should only be funded to provide care for children up to and including the age of two, at which point the child would preferably transition to a centre-based service. The role of nannies in the market would therefore be as a complementary service, offering care for very young children before they transition into a centre-based pre-school program, or caring for older children in addition to their accessing a centre-based education and care program. In the latter case, families could choose whether to direct their CCR or CCB to either the centre or the nanny.

Appropriate models to consider regarding in-home care include the services delivered by PORSE In-Home Childcare in New Zealand, and the training for early childhood professionals including nannies offered by Norland College in the UK. There is also some discussion of this in our literature review of international models at Attachment One to this submission.

Services for additional needs and regional and remote areas

- how well the needs of disadvantaged, vulnerable or other additional needs children are being met by the ECEC sector as a whole, by individual types of care, and in particular regions

- the extent to which additional needs are being met by mainstream ECEC services or specialised services
- key factors that explain any failure to meet these needs
- what childcare operators and governments can do to improve the delivery of childcare services to children with additional needs?
- the types of ECEC services which work particularly well and would be viable in regional and remote locations.

Please refer to our discussion in section 4.2 ‘Access and Affordability’ earlier.

The *Report on Government Services 2014* issued by the Productivity Commission in January 2014 reports in chapter 3 that for children in Australian Government approved child care (ie excluding pre-schools), in 2013 participation by most of the ‘targeted special needs groups’ (including children from Non English Speaking Backgrounds, Aboriginal and Torres Strait Islander children, children with disability, and children from regional and remote areas) was lower than their representation in the community. The only exception was children from low income families.

For children attending pre-school, it was a similar story, with all targeted special needs groups except children from regional areas being under-represented in pre-schools. Participation of children from low income families was not reported.

Families experiencing difficulties face a variety of barriers that make accessing services difficult, and therefore experience disadvantage. We also recognise that as a result of past experiences of colonisation, Aboriginal and Torres Strait Islander communities experience particular disadvantage. SDN has developed a Priority of Access policy and supporting decision-making tools that aim to facilitate equitable access to all SDN services, prioritising and supporting the participation of children and families from traditionally excluded groups.

Even after services are accessed, evidence shows that poorly co-ordinated service delivery and siloed organisations can create further barriers for children and families. These barriers can prevent children and families from accessing the resources they need and want for their own wellbeing and learning. Many organisations, including SDN, are working towards a model of integrated service delivery. This goes beyond organisational structure, and involves developing and supporting skills and

resources to allow frontline interdisciplinary professional practices and team processes.

The outcome of SDN's integrated approach will be to provide child-centred services by fostering families' involvement in decisions that affect them. This will facilitate early identification when additional support is needed, avoid unnecessary duplication, and support families' access to a range of high quality services that are coordinated around them.

An example of this in an ECEC setting is our new purpose-built centre for children with autism spectrum disorder, SDN Beranga. Located at Rooty Hill in Sydney's west, SDN Beranga combines early intervention support in a long day care setting. As a lighthouse centre, SDN Beranga has a multi-disciplinary team that also works with 13 satellite centres across the Greater Western Sydney region to mentor staff in those services. The aim is to support staff in these centres to develop the skills and confidence to deliver autism-specific practices for children in their care.

The satellite centre component of our SDN Beranga service is particularly important. As Mohay & Reid state (*The inclusion of children with a disability in child care: The influence of experience, training and attitudes of childcare staff*, 2006),

‘The findings of the present survey suggest that it is not negative attitudes that limit the inclusion of children with a disability in long day care centres, but rather a lack of confidence about having the skills and resources to provide an appropriate program.’

Direct funding is not enough, staff must have the opportunity to improve their skills and confidence to work with children facing challenges. The work of the Inclusion and Professional Support Program funded by the federal Department of Education is an excellent example of government support in this area.

Cost of childcare and early learning services in Australia

- financial difficulties arising from paying childcare fees, including the types or location of families experiencing the greatest difficulties in meeting childcare costs
- changes in the use of ECEC, including the type of care used (formal and informal), in response to changes in the cost of care

- the extent of price competition between providers and the effect this has had on fees and the quality of services provided
- the flexibility providers have to price in response to demand and/or to meet the particular care and learning needs of children.

Please refer to our discussion in section 4.2 'Access and Affordability' earlier.

Families can face a range of barriers to accessing early childhood education, and cost is only one of them.

SDN adjusts its fees yearly, and we know that even the smallest increase can be too much for a family already under stress. Responses can include reducing the number of days the child attends our service, or removing the child from the service altogether.

In particular areas such as our services in the inner city located in public housing estates, we regularly have families who are unable to pay their fees and go into debt. For families from certain cultures, it is shameful to be in debt, and some families simply quietly leave the service before we can work with them to manage this.

Debt levels can quickly accelerate if a child loses CCB because they have passed the maximum number of allowable days absent. For children with disability and illness or children from Aboriginal and Torres Strait Islander families (who can be highly mobile), the maximum number of days absent is not flexible enough for their needs and creates an unnecessary cost barrier, not to mention the additional stress of dealing with bureaucracy to have CCB reinstated.

SDN offers a limited number of scholarships for Aboriginal and Torres Strait Islander children who meet certain eligibility criteria, to support them to attend one of our services for at least the year before school. This program is funded entirely by donations from the community, including SDN's own staff giving program. We also have a very small number of Board Scholarships offered to families from any background in extreme need.

SDN does not engage in price competition, however we do compare our fees against other fees locally to ensure we are in line with market rates and expectations. Our fees are set based on the number of approved places in each of our centres and mix of ages of the children, projected utilisation rates, staffing requirements, known

overheads such as rent or utilities, contingencies such as maintenance costs, and administrative overheads including finance, HR and IT support. The amount of regulation of the sector means we do not have flexibility around approved places and staff to child ratios. The only flexibility we have is in our administrative costs, which have remained steady at 8 to 9% of total expenditure for at least the past three years.

We do not price according to the learning needs of particular children, instead relying on external funding and support such as the federally-funded Inclusion and Professional Support Program or the NSW government-funded Inclusion Support Subsidy for individual children.

Government regulation of childcare and early learning

- The Commission is seeking up-to-date evidence, specific examples and case studies that will inform an assessment of both the benefits and costs of current regulations impacting on ECEC services.

SDN refers the Inquiry to the recent ACECQA *Report on the National Quality Framework and Regulatory Burden* published in July 2013 for research and discussion on this issue.

Workforce issues and the effects of the National Quality Framework

- the effect of increased staff ratios and qualification requirements on outcomes for children
- how ECEC providers are handling the pace of implementation of new staffing ratios under the NQF
- the case for greater recognition and assessment of competencies as an alternative in some cases to additional formal training and qualifications
- the impact of changes to staff ratios and qualification requirements on the cost of employing ECEC workers
- whether any increased staffing costs have been, or will be, passed on in higher fees charged to families.

Research in Australia and overseas shows a positive correlation between the level of qualifications of early childhood educators and teachers and the outcomes for

children. As the report by Elliot (*Early Childhood Education: Pathways to quality and equity for all children*, published by the Australian Council for Educational Research, 2006) states:

‘It indicates that teacher effectiveness outweighs student background characteristics in explaining variation in student achievement. Similarly, early childhood studies showing better outcomes for children demonstrate that the quality of the pedagogy and hence the capacity of the staff does matter.’

Elliot goes on to say,

‘Centres where managers had a teaching qualification recorded the highest measures of quality. Conversely, higher proportions of staff with low-level qualifications were associated with poorer child outcomes on scales of peer sociability, cooperation, and conformity, and were associated with higher levels of antisocial or worried behaviours.’

High quality education and care is driven by the quality of the staff in services, which in turn is driven by their training and skills. What is particularly important to note is that the impact of low quality staff is not neutral, they can actually negatively impact the outcomes for children.

SDN has not been particularly impacted by the new staffing requirements as we were already operating at those ratios in many services, and had begun training staff to upgrade their qualifications prior to the starting date of the NQF.

There has been an increase in our staffing costs, but this was mostly driven by the introduction of our organisation-wide Enterprise Agreement in 2010. SDN offers our service delivery staff above award wages and conditions, which includes confirmed annual wage increases.

SDN’s largest fee increase in recent years was in 2012, and was as a result of a range of factors of which the NQF was one element. Other reasons for that increase included the wage increases under our Enterprise Agreement as well as increases in overheads, and equipment and capital upgrades to our buildings. Cost increases associated with the NQF were as a result of increasing the number of staff to ensure the minimum staff to child ratios were met at all times across the day, increased

wages costs because our staff were better qualified, and investment in systems and staff to support the implementation and rollout of quality systems.

This we consider this to be a one-off cost increase, and SDN remains committed to the NQF as a best practice approach for achieving outcomes for children. Please refer to section 4.1 'Quality is important in early childhood education and care' earlier.

Workforce issues (continued)

- initiatives of governments to address workforce shortages and qualifications, including the cost and effectiveness of these initiatives
- initiatives of providers to address their workforce shortages and skill needs, including the cost and effectiveness of these initiatives
- particular locations and areas of skill for which it is hard to find qualified workers
- the extent to which training/childcare courses enable workers to meet the requirements of the NQF and how training could be improved
- other workforce and workplace issues, including any aspect of government regulation, that affects the attractiveness of childcare or early learning as a vocation.
- Are the requirements associated with more subjective aspects of the National Quality Standards, such as 'relationships with children', clear to service operators and regulatory staff? Is further guidance required?
- Could the information provided on the 'My Child' website be changed to make it more useful or accessible to families? Are there other approaches to providing information to parents about vacancies, fees and compliance that should be considered?

SDN is aware that the skills and professionalism of our staff are a significant element of our ability to deliver high quality services for our children and families. We also know from our annual staff surveys that one of the things that attracts people to work for us is the opportunities we provide for learning and development. Our aim is to be an employer of choice, and we continue to invest in attracting, developing, and retaining our people. We also have an Enterprise Agreement offering above

award wages and conditions. This strategy has been in place for a number of years and is independent of the requirements of the NQF.

SDN was the first to train and employ qualified teachers to work in our centres, and in 1931 SDN established one of the first training centres for nursery school teachers in Australia. SDN remains committed to the education and training of early childhood educators and has an internal program to support tertiary student placements and internships within our services.

Our experience from our student program is that the quality of students can vary depending on the institution they are studying at.

SDN believes the sector, including tertiary institutions, has a collective responsibility to deliver high quality, meaningful and enjoyable practical experiences for student to encourage them to remain in the sector

Feedback from our students tells us that a poor student placement will convince a student to not pursue a career in early childhood education and to leave the sector. For students studying teaching, this may involve shifting from a 'birth to five years' specialty to primary teaching, which offers shorter hours and better pay.

The bottom line however is that supervising students places a burden on our services and is a cost to us. Some universities offer token remuneration for their placements, however government support in the form of an incentive, such as a short term version of the Australian Apprenticeships Incentives Program.

SDN does not believe that there are any regulatory issues that affect the attractiveness of of the sector. The main barriers are hours of work and the relatively low wages.

SDN has no concerns with the qualitative aspects of the NQF, and welcomes them. As well as using quantitative measures to assess our outcomes, SDN surveys our families annually , with a mix of quantitative and qualitative questions organised around the seven Quality Areas under the National Quality Standard (NQS).

The survey results consistently tell us that our staff members' personal traits, skills and abilities and their relationships with the children are considered as the best feature of our centres by an overwhelming majority of parents.

In October 2012 we asked our centres to undertake a short survey of the children in our services as part of Children's Week, so we could hear their voices directly. More than 200 children, aged from six months to five years of age responded to the questions, 'what do you like and what don't you like about your centre?'

The responses came back in a range of formats including observations from staff about young children's preferences; photographs; drawings and recorded conversations.

We heard that 'relationships' were what children liked the best about their centre, particularly relationships with staff and their friends, and being able to see any siblings at the same centre. Yet again this emphasises the importance of our staff, particularly our staff's ability to establish respectful, high quality relationships with children in their care.

It is vital that these qualitative aspects of the NQF be considered when assessing the quality of a service. It is not necessary for them to rigorously defined, as the objective is to assess the subjective response of the children and families. This can be done through qualitative research as evidence to support an assessment and rating visit.

Other regulations

- how particular regulations (including the NQF) impact on the structure, operations, cost and profitability of ECEC services — for example, are services consolidating or amalgamating their operations to reduce administration costs
- the share of fees that can be attributed to compliance costs (quantified if possible)
- the extent to which regulatory requirements are causing services to change the number or mix of children they care for
- the extent to which regulatory burdens arise from duplication of regulations and/or inconsistencies in regulations across jurisdictions.

While the NQF has mostly brought regulatory alignment between the states and territories, there are still differences in practices and service delivery. For example the split in some states between long day care and pre-school education is an artificial

one, and under the NQF the expectation is that both are offered in any early childhood environment. The NQF also means that the regulatory expectations on both are the same.

A significant factor keeping services from being streamlined is the different funding models and sources which reduce the ability of services to blend their delivery. Pre-schools do not fall under the federal government's Child Care Benefit and Child Care Rebate schemes, but instead attract state government funding which long day care centres and family day care do not attract.

This means for example a four year old can be attending a long day care service offering a pre-school program and the parents are eligible for CCR and CCB, but if that same child transfers to a pre-school then they are no longer eligible. If that child is then also enrolled in outside school hours care to be looked after once pre-school finishes for the day, then they are again eligible for CCR and CCB but only for the out of school hours care.

As a side note, this split also affects the ability to collect meaningful statistics on the sector and reflects an overall lack of national strategy towards all early childhood education and care.

Options for regulatory reform

- How could the NQF and other regulations affecting ECEC be improved — both requirements and their implementation/enforcement — to be more effective and/or to reduce the compliance burden on ECEC services or workers and/or administration costs for governments?
- Are there lower cost ways to achieve the regulatory objectives for ECEC?
- Are there areas currently regulated that would be better left to sector self-regulatory codes of practice or accreditation schemes?

Again, we refer the Inquiry to the recent ACECQA *Report on the National Quality Framework and Regulatory Burden* published in July 2013 for research and discussion on this issue.

SDN fully supports the NQF and accepts that any professional service must have effective regulation and reporting requirements. We do not accept sector self-regulation as appropriate for ensuring best quality outcomes for children.

Any professionally-run organisation that is genuinely committed to delivering quality early childhood education and care should welcome the opportunity for external, independent assessment and review as part of their quality improvement cycle. It is a community expectation as well as a regulatory one that an organisation's financial accounts be independently audited annually, and the children and families in our services should be able to expect the same level of transparency about the quality of service delivery.

Government support for childcare and early learning

Please refer to our discussion in section 4.3 'The role of government' above for an overview of our position in response to these broad questions.

SDN sees the role of government as establishing the regulatory framework, delivering indirect support through rebates, and direct support to services operating where the market is failing. This direct support includes not just direct funding, but other support such as skill and capacity building support such as through the Inclusion and Professional Support Program.

As outlined in our response to the questions under 'International models of ECEC' above, most European countries provide all children with at least two years of free, publically funded provision of early childhood services before they begin primary schooling. For OECD countries in 2013, Australia and Ireland spent 0.1% or less of GDP whereas Denmark, Iceland, Israel and Spain spent 0.8% or more, with the average being 0.5% of GDP. For more detail, please refer to Attachment One to this submission.

These OECD figures suggest an underspend by Australian governments on early childhood education and care.

SDN supports government funded programs that are targeted at children from those groups that will benefit the most – children from families with low socio-economic status, children who are vulnerable, children with disability, and children from Aboriginal and Torres Strait Islander backgrounds. In particular, the federal funded Inclusion and Professional Support Program is effective at improving the skills and therefore the confidence of services to support children from these groups. Programs such as the Supporting Children With Additional Needs and the Inclusion

Support Subsidy, both funded by the NSW Government, provide much needed support.

Options for reform of childcare funding and support

The OECD report Starting Strong II: Early Childhood Education and Care (2006) says:

‘The evidence suggests that direct public funding of services brings more effective governmental steering of early childhood services, advantages of scale, better national quality, more effective training for educators and a higher degree of equity in access compared with parent subsidy models.’

As outlined in Recommendation 2 under section 5 above, ‘Policy implications for government’, SDN recommends that CCR and CCB be reviewed and streamlined, and paid directly to services. This will benefit services and families.

SDN does not support tax rebates as they favour those in the workforce, and do not support families on government allowances, such as single parent or disability benefits, those looking for work, or people undertaking study or training.

As outlined in Recommendation 3, Special CCB should also be reviewed to be more flexible and targeted at areas that need it.

As outlined in our response to the questions under ‘Other regulations’ above, the different funding models and sources for different types of services reduce the ability of services to be flexible in their delivery. Pre-schools do not fall under the federal government’s Child Care Benefit and Child Care Rebate schemes, but instead attract state government funding which long day care centres and family day care do not attract.

This means for example a four year old can be attending a long day care service offering a pre-school program and the parents are eligible for CCR and CCB, but if that same child transfers to a pre-school then they are no longer eligible. If that child is then also enrolled in outside school hours care to be looked after once pre-school finishes for the day, then they are again eligible for CCR and CCB but only for the out of school hours care.

Funding complexities make it difficult for example for pre-schools that operate 9.00am to 3.00pm to extend their hours to operate as long day care centres while continuing to deliver a pre-school program.

As a side note, this split also affects the ability to collect meaningful statistics on the sector and reflects an overall lack of national strategy towards all early childhood education and care.

In addition to the issues for services around CCR and CCB, the rebates create problems for individual families. We have briefly discussed this in response to the questions raised under 'Cost of early learning services in Australia above'.

The rules around accessing the rebates are not appropriate for certain groups of families, and are not flexible enough to take into account individual circumstances. The fact that applications for CCB and CCR are managed through Centrelink can be a barrier for many Aboriginal families who do not like dealing with the government where their children are concerned. The calculation of the benefit is complex and not transparent, and can vary from week to week depending on hours of attendance at a centre and other factors. The rules for each of the two rebates are different, and they can be paid through different means.

Please refer to sections 4.2 and 4.3 earlier in this submission for an overview of SDN's view of how support should be targeted.

7. For more information

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8. References

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Attachment One

International models of childcare that may be relevant to Australia

In this attachment, the following models and features of early childhood education and care are discussed from an international perspective:

- Centre-based services
- Home care (Family day-care)
- Cash for care.

For each model, the following will be considered:

- a. How the models affect child development outcomes and workforce participation
- b. The cost to government, families and the funding arrangements
- c. The types of providers and the financial viability of these
- d. The regulatory framework, particularly for quality assurance of providers, the facilities, and their staff.

Introduction

Most European countries provide all children with at least two years of free, publically funded provision of early childhood services before they begin primary schooling. With the exception of Ireland and the Netherlands, access is generally a statutory right from the age of three years, and in Belgium and France from an earlier age. In Australia and in Canadian and US states a majority of children are enrolled in free state programs at the age of four years, however provisions are generally weaker than in European countries. Generally however, less attention is given in most countries to provision of services for children under three years of age. Government policy and service provision for this cohort of children is tied to favouring equality of opportunity for women (Bennett, 2008). In countries with a “childcare market” dominated by private companies or family day-care caregivers, this often leads to part-time and low-paid work, high process, weak availability, and to low standards and practice (Bennett, 2008). Thus, the planning and provision of

childhood services has an influence not only on the ability of parents (particularly mothers) to engage in the workforce, but ill-managed services and lack of availability may impact society as a whole.

On average, expenditure on early childhood education (ECE) accounts for 0.5% of overall GDP. Significant differences in expenditure across Organisation for Economic Co-operation and Development (OECD) countries exist – Australia and Ireland spends 0.1% or less of GDP whereas Denmark, Iceland, Israel and Spain spend 0.8% or more (OECD, 2013). The main difference in public spending between the Nordic countries and the 27 EU member states is that the Nordic countries' main focus is on the youngest children, as part of a policy designed to help families with dual breadwinners by making it possible for women to go to work (Eydal & Rostgaard, 2011).

Child development outcomes and workforce participation general discussion

As the different models and international examples described in this section make overlapping references to child development and workforce participation, the following general discussion is provided for overall context.

The desired child development outcomes of a government or society may be numerous and reflect the philosophy and traditions of its people. Some nations or governments may have a cultural perception that parents should care for their children during his or her first year of life. As Wagner notes, the Nordic countries share a common ideology regarding what constitutes a good childhood, serving as a powerful driver of public policy and everyday practice in Nordic day-care centres, schools and local communities (as cited in Eydal & Rostgaard, 2011).

Within service-provision, a number of factors have been identified as influencing the quality of service and thus children's outcomes. These include staff-child ratios, group size, health and safety standards, caregiver qualifications, caregivers education and training, staff salaries and turnover rates (see Kamerman, 2000). Results from Programme for International Student Assessment (PISA) suggest that the relationship between ECE participation and later learning outcomes is the strongest in countries with particular quality features including child-staff ratio, the duration of programmes and public spending per child (OECD, 2010).

When governments plan for early childhood education and care services, primary concern may focus on the well-being of children, socialising children into society's values and school-readiness. An additional consideration is to facilitate an increase in the female labour force participation rates. This in turn may have consequences towards child development, school performance, fertility, marriage and public expenditure (Kamerman, 2000). A key driver of governments' interest in maintaining a high employment/population ratio involves bringing women into the labour market. The expansion of early childhood education and care (ECEC) services can assist women to combine work and family responsibilities (OECD, 2011; OECD, 2006). If managed properly, a public policy commitment to improving children's development will have transformative social and economic effects (Pascal, 2009).

Centre-based services

In general, centre-based services provide not only a care component for children, but emphasise early education aligned with many of the childhood development outcomes noted above. Since centre-based care services typically care for a large number of children, services are highly-regulated and thus must meet certain standards to ensure quality care (such as particular staff-ratios as determined by the age group of children). Centre-based services may target disadvantaged or vulnerable children, as is the aim for the large publically-funded programs Sure Start (in the UK) and Head Start (in the US). Most ECEC programs are in "centres" or special facilities, sometimes in or near primary schools that are designed to provide appropriate physical environments for young children (Kamerman, 2000). This section will describe a number of different international centre-based services.

How the models affect child development outcomes and workforce participation

Presenting to the United States Congress, Professor Jeanne Brooks-Gunn (2003) stated that mainstream research indicated that high-quality, centre-based programs enhance the school-related achievement and behaviour of young children. These effects are strongest for poor children and for children whose parents have little education. Positive benefits are observed into late elementary school and high school with the effects being smaller than they were at the beginning of elementary school (Bennett, 2008).

An influential European study by Swedish psychologist Bengt-Erik Andersson followed groups of children from infancy up to high school, comparing them on the basis of various tests and observations. Comparisons were made between early starters in day-care centres (entering from nine to twelve months of age) were compared to those in family day-care and home care, and comparing those entering at a significantly later age and those experiencing shifts in care. Distinct and sustained advantages were noted by age eight for early day-care starters. Positive differences were found in language and all school subjects except gymnastics. Teachers noted that early starters were more outspoken, less anxious in school situations, more independent and more persevering (Andersson, 1989). An advantage of this study is that it compared across different childhood service models, with centre-based care being noted as having the most influential positive differences. However, this study was published in 1989 and more recent comparisons are required.

The Nordic countries place a high demand on the level of education expected of childcare staff with the belief that well-trained personnel are instrumental in ensuring high quality (Kristjansson, 2006). In Finland, one kindergarten teacher in three in any day-care centre must have a tertiary education level degree (Bachelor of Education, Master of Education, Bachelor of Social Sciences) and two staff members (nursery nurses) in three must hold a secondary-school level qualification in the field of social welfare and healthcare. In contrast, in Denmark, non-qualified staff fill 40% of positions in day-care institutions (Jensen et al., 2010). Thus children placed in centre-based care in the Nordic countries are assured that most staff in centres are highly qualified.

In Sweden and Denmark, standards on group size, staff-child ratios and caregiver qualifications are rigorously set and enforced based on extensive research. The staff-child ratios for Danish ECEC programs are 1:2.7 for children under age three and 1:5.5 for children aged 3 to 6 (Kamerma, 2000). Comparatively in Australia, ratios are 1:4 for children under three, and 1:11 for children three years and over.

Sure Start (UK), Head Start (US) and Ontario's Early Years Plan were publically-funded programs offering centre-based services that targeted children across disadvantaged areas. The aim of these services was to give children the best start to

life offering early intervention programs. These large programs will not be reviewed here, but a potential criticism is discussed. Targeted services may in fact miss most of the children and families the program intends to target. Sixty-seven per cent (67%) of three- and four-years-olds in high-income families (exceeding US \$150,000 annually) attended preschool. In contrast, for low-income families (less than US\$10,000 a year), only 35% of children from these families access services. Most poor children are missing out.

Proponents of universal services state that such children would benefit from government subsidised services – their presence in such services would provide a mix and diversity with individuals across social classes (Bennett, 2008; Barnett et al., 2004). A universal program that covers all children may have been argued to make more economic sense and effectively reach vulnerable children (Barnett et al., 2004). A US study by the National Institute of Education Research at Rutgers, The State University of New Jersey, found an economic rationale in favour of universal funding – targeting services by government may reach at best 50% of low-income children and 17% of middle-class children. A universal system would likely reach all low- and middle-income children (Barnett, J. (2006)).

The cost to government, families and the funding arrangements

ECEC programs are funded largely by the government, either nationally, by state, or at local levels depending on the country. Only in the Anglo-American countries do parent fees cover most of the costs. In France, although government authorities (national, local, and family allowance funds) cover two-thirds of the capital costs and almost half the operating costs, family allowance funds contribute about a quarter of operating costs and parent fees constitute the remainder. In Italy, only a small amount is funded by employers, while local and national governments carry most of the burden (Kamerman, 2000).

Each Nordic country government sets a maximum charge for full-day-care. The payment ceiling is lowest in Sweden, fixed at 3% of household income, with a maximum of EUR 130 per month or 4.5% of their average net wages after tax (Plantenga & Remery, 2008). Charges vary according to the number of children in the family and the time spent in the day-care centre. Differences also exist across municipalities. All of the Nordic countries have a policy of reducing costs for low-

income or socially disadvantaged families. In Norway, free programs are offered for parts of the day at day-care centres in areas with a high concentration of immigrant families (Eydal & Rostgaard, 2011).

When available, higher socio-economic groups tend to use professional centre-based services more than lower socio-economic groups. For example in Norway, 41% of university-educated women used centre-based early childhood education and care services for children under three years compared with 21% of mothers with secondary education. In general, the latter group prefer home care by mothers or informal care by family members and relatives (see Bennett, 2008; OECD, 2006).

The types of providers and the financial viability of these

Delivery patterns of ECEC programs involve public funding and public delivery in most of the OECD countries. A major component of the delivery systems in the Anglo-American countries, Germany, and the Netherlands involve private programs, largely under religious auspices or other types of non-profit sponsors (e.g. parent cooperatives, voluntary agencies, trade unions, women's organisations) ranges widely across countries. In contrast, private programs play an insignificant role in the Nordic countries (Kamerma, 2000).

For Ontario, Pascal has proposed a government arrangement to bring early childhood services to greater levels of support. Education is often supported by well-developed infrastructure across various levels (central, regional, local) and is firmly rooted in the public domain. Early childhood programming in contrast is not. Pascal suggests that the Ministry of Education expand their responsibilities towards younger children (the Ministry is already responsible for some programming for children before Grade 1). The recommended model to serve early childhood programming would incorporate a blend of Kindergarten teachers and ECEs. More than one-third of Ontario's 4,000 elementary schools (about 1,500) could accommodate full-day learning with no or minor modifications (Pascal, 2009). The administrative auspice of services is affected by program content and philosophy with the major difference being whether the program is considered as education, health, social welfare, or some combination (Kamerma 2000).

Well-subsidised public programs like Head Start and Sure Start which offer centre-based care may actually "crowd-out" private services. Their presence reduces

initiatives by private providers to increase ECEC activities in a neighbourhood as competition is high against the better-funded public programs (Bennett, 2008).

Internationally, governments have expanded the supply of ECEC places by funding and operating programs by increasing subsidies they offer providers (Kammerman, 2000). In fact, Australia has demonstrated that sufficiently available voucher and subsidy money will encourage independent family day-caregivers and commercial providers to respond to the business opportunity. This has an advantage of quickly expanding service provision. In contrast, public services may take years to plan and build each new early childhood centre (Bennett, 2008). In countries including France, Italy, Spain, Germany and the US, greater public subsidies are provided to religious organisations or voluntary organisations to expand provision of services (Kammerman, 2000). Independent family day-caregivers and commercial providers are welcomed by parents desperately seeking places for their children and by governments requiring expedient solutions to early childhood education and care shortages (Bennett, 2008).

The regulatory framework, particularly for quality assurance of providers, the facilities, and their staff

ECEC policies may be nationally (such as in France and Italy) or by a national framework where major policy decisions are made by the “state/province” level (countries with a federal government structure such as US, Canada, and Germany). Policy may be made at the local level – in the Nordic countries, local government agencies operate programs (Kammerman, 2000).

The administrative auspice of services is affected by program content and philosophy – the major difference is whether the program is considered as education, health, social welfare, or a combination of these. The dominant European pattern is one which the programs serving from two or three to five or six year olds are under educational auspices while the younger children are cared for under health or social welfare auspices. The Scandinavian pattern is one in which all children under compulsory school age are the responsibility of something akin to the Swedish National Agency for Education. The Anglo-American model tends to divide responsibility between education and welfare for the whole age group, but

without consistency in assigning responsibility or administering programs (Kamerman, 2000).

Home care (Family day-care)

Home care, or “Family day-care”, are services in which children are cared for in a home environment. Home care is often seen as an alternative to centre-based care when there are no positions for the latter. However, depending on parent’s preferences and the culture of the society, home care may be enthusiastically adopted by families. In New Zealand, Te Whāriki is the Ministry of Education's early childhood curriculum policy statement as used by home Care providers. New Zealand’s home care service will be described, as will home care practices in the Nordic countries.

How the models affect child development outcomes and workforce participation

Home-based early childhood education and care can facilitate a relaxed home setting enabling an educator to build intimate relationships with the children and their families. In New Zealand, the schedules are flexible and involve the usual activities of the family including household tasks, shopping, and outings. Home care is facilitated by an Educator, who is required to meet the goals and learning outcomes for children through delivery of Te Whāriki (the Ministry of Education's early childhood curriculum policy statement) (Duncan et al., 2008). The Educator could have a maximum of four children under the age of six years at any one time. Hence, the staff-child ratio is 1:4, regarded as high quality.

In the Nordic countries, Home Care often involves three to five children being cared for in a home setting. Parents often have their youngest children looked after in this way as they see Home care as better suiting their child’s needs, or they are waiting for a placement in a day-care centre (Eydal & Rostgaard, 2011).

The home care services in New Zealand and the Nordic countries aim to meet the same child development outcomes and positively influence workforce participation of women in a similar fashion to centre-based services. In these countries, there are structures in place to implement and assess whether the education and care standards are being met in the home setting. New Zealand’s Te Whāriki curriculum

is aided by resources that provide consistent curriculum and programmes in chartered early childhood services. The principals, strands, and goals of the early childhood curriculum may be provided into four broad principals focused on childhood development – empowerment, holistic development, family and community, and relationships (Ministry of Education, 1996).

In other home care models, such as informal care with family members or with nannies/au pairs, a structured education and care practice may not be in place, and certainly not regulated. With respect to workforce participation, in both instances of centre-based care and home care, parents can participate in the workforce whilst their child is being cared for.

The cost to government, families and the funding arrangements

In the Nordic countries, family day-care staff are employed, paid, trained and authorised by the local municipality to look after children in their own homes (Eydal & Rostgaard, 2011).

As an aside, France offers a special cash benefit and the US has a tax benefit which provides a partial subsidy for in-own-home care (Kamerman, 2000).

The types of providers and the financial viability of these

In some contexts, home care is a preferable alternative to centre-based care. Home care is popular in rural areas in the Nordic countries since running a centre may not be financially viable due to the small number of children (Eydal & Rostgaard, 2011).

The regulatory framework, particularly for quality assurance of providers, the facilities, and their staff

By the end of last century, a focus on ‘quality’ was directed on New Zealand’s early childhood institutions. Government agencies were becoming more proactive in shaping the experiences of children in early childhood programs, relying less on the profession or provider organisations to take the lead (May, 2002).

The Association for the New Zealand home care program had at one stage employed four Visiting Teachers (home-based) who supported 75 Educators in providing education and care in their own homes. Each Visiting Teacher has the responsibility for a network of Caregiver/Educators in a geographical region,

designated as the Visiting Teacher's 'Scheme'. Each Visiting Teacher ensures that the best quality early childhood experiences are provided for each child in a setting, and that all appropriate professional and legal standards are met in each setting.

An issue raised in this model is that Visiting Teachers reported a sense of "my home, my castle" from Educators, arising upon suggestions for change. Some Educators were frustrated with the Visiting Teacher in that they did not seem to "appreciate that this is a home environment and not a centre". This model does separate the Educators and children from other early childhood professionals. This could be addressed by Visiting Teachers developing individual plans for each Educator with outlined options for building networks and establishing a "community of practice" (Duncan et al., 2008).

On-going professional development in the sector was a clear need as noted during the early implementation of the Te Whāriki. Research trials noted that sector support was high for Te Whāriki yet a lack of time and pressures on staff resulted in a large number of untrained or poorly trained staff (May, 2002).

In countries where public funding is limited, working parents may either seek solutions in the private market where affordability may be an issue, or rely on informal arrangements with family, friends and neighbours (Bennett, 2008). This may give rise to unregulated child care services, often based in a home setting. The Preschool Services Regulations in Ireland require that when a child minder cares for more than three children under the age of six years in her home, she should notify the local Health Board and become subject to certain regulations. Ninety-five per cent (95%) of child minders in Ireland operate outside this framework. An estimated 70% of long-day-care is provided through private child minders looking after one or two children. This is a concern as such arrangements are generally unsupervised and escape health, safety, developmental and programmatic regulations (OECD, 2003c). With the exception of Australia, similar figures exist for the majority of (unlicensed) childcare arrangements in the other liberal economies (Bennett, 2008).

Undoubtedly, when governments become involved in planning services and providing financial support, either directly or indirectly, they are in a position to ensure fair access to all children, to regulate and enforce standards including training and salaries (Bennett, 2008).

Cash for care

Early childhood education and care (ECEC) service provision has been an integral part of family policies for decades in the Nordic countries in response to increases in female labour force participation of the 1960s and 1970s (Leira, 1992; Rostgaard & Fridberg, 1998). Provision of such ECEC is believed to be of vital importance for the integration of first- and second-generation immigrant children and children with disabilities (OECD, 2001). In addition to these services, families may opt for a “cash for care” benefit that provides an allowance to parents to not enrol their child in an ECEC service provided by a municipality.

In the 1990s local councils in Finland were obliged to provide care places for all children under three for parents who desired this service. Wealthier councils in particular decided instead to put up their local government supplements to cash home care allowance (CHCA) to encourage parents to utilise CHCA rather than turn to day-care (as cited in Sipilä & Korpinen, 1998). The CHCA amount was considerable high compared to payments from health insurance schemes and unemployment benefits. Thus, the CHCA provided a basic minimum subsistence to parents who opted to stay at home, but in addition compensated for the costs that were incurred by the authorities for the provision of day-care, paying the money to those parents who did not use the service (Sipilä & Korpinen, 1998).

How the models affect child development outcomes and workforce participation

From a citizen’s social rights perspective, the home care allowance seems to be an efficient way of reinforcing parents’ rights. For children however, the system does not guarantee the right to proper early education and care. It may be preferable for some children to be placed in municipal education and care if parents lack the skills needed to take care of their children (Sipilä & Korpinen, 1998). Certainly most parents would not have the skills of a qualified educator, thus children at home miss out on learning and development opportunities found in formal day-care settings. A parent at home with their child, having accepted the cash for care benefit, is not provided with the same resources, support and scrutiny as an Educator from the New Zealand home care model.

A survey of users in 2006 showed that cash for care allowance was more frequently paid to young, single mothers aged 20-34 than married, cohabiting and/or older (35+) mothers. Foreign-born mothers also applied for the CHCA slightly more often than those born in Finland (Repo, 2010). The system encourages women to drop out of the labour market – a potential threat to their career development (Sipilä & Korpinen, 1998). The Finnish cash for care scheme reinforces gender patterns of care and their tendency to weaken women's positions in society at large (Repo, 2010). However for others, the system provides a mother a wage and a welcome break from a hard job.

Interestingly, Reykjavík, Iceland has one condition for their cash-for-care benefits. In the case of cohabiting/married parents, the parents have to divide the payments in accordance with the rules on the division of paid parental leave. Thus, one parent can only receive two-thirds of the total months paid, and the other parent a minimum of one-third (as cited in Eydal & Rostgaard, 2011). Even though it is not possible to regulate how parents actually divide-up the care between them, the message to parents is that the city encourages both parents to participate in early childhood education and care (as cited in Eydal & Rostgaard, 2011).

The cost to government, families and the funding arrangements

In Finland, the CHCA consisted of a statutory basic amount, a means-tested additional amount, a sibling increase and, in some municipalities, a local government supplement. Up until 1994, this amount was considerable high – at one time more than the daily allowance paid under the health insurance scheme to citizens with no other income. Additional amounts were at most 80% of the basic amount and were payable if the child's parents or guardians cared for the child primarily in the child's own home and if the household's combined taxable income did not exceed a certain limit. If the limit was exceeded, the allowance was progressively reduced – yet those in the middle-income bracket were normally eligible. In 1994, when paid the full additional amount, the CHCA added to more than the basic unemployment benefit (Sipilä & Korpinen, 1998). The 1990s saw a climb in unemployment levels, and the allowance became a life-line – giving birth was becoming almost a source of livelihood in Finland and an alternative to unemployment among young women (Sipilä & Korpinen, 1998).

Cash for care in Finland immediately increased the number of benefit recipients, however the public expense involved per child under three had not in the end been any smaller than that for day-care. The government and local authorities did however make a significant saving when examining the costs of expenditure of the allowance and the savings from those children excluded from day-care services (see Sipilä & Korpinen, 1998).

Despite the criticisms, the Finnish family-leave survey of 2001-02 asked whether the child home-care allowance should be scrapped. Only 17 out of 3,295 female respondents supported the idea. That is, Finnish women are strong supporters of the program (Salmi, 2006). By the mid-2000s, employment rates among mothers with children aged one to two started to grow again. Among parents receiving the cash for care benefit in 2010, 41% stated that they would apply for day-care if the benefit was to be abolished (as cited in Ellingsaeter, 2012).

The types of providers and the financial viability of these

Across the Nordic countries, each municipality could determine the amount paid for the cash for care allowance. Some details of costs as noted in the previous paragraphs, and as stated, the government and local authorities did make a significant saving when examining the costs of expenditure of the allowance and the savings from those children excluded from day-care services. Although it was noted that the costs of the transition may have been underestimated in the short-term calculations (see Sipilä & Korpinen, 1998).

The regulatory framework, particularly for quality assurance of providers, the facilities, and their staff

From a citizen's social rights perspective, the home care allowance seems to be an efficient way of reinforcing parents' rights. For children however, the system does not guarantee the right to proper day-care. It may be preferable for some children to be placed in municipal day-care as parent's lack the skills needed to take care of their children (Sipilä & Korpinen, 1998). In Denmark, within the first eight weeks of a parent receiving cash for care allowance, the local municipality is supposed to conduct a pedagogical evaluation of the family to assess whether that child would service greater benefit from special support in a day-care facility (Eydal & Rostgaard, 2011).

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