

Productivity Commission

childcare@pc.gov.au

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Dear Commissioners,

Please find attached a submission from Carol Burgess to the Inquiry into Child Care and Early Childhood Learning.

ECA NSW appreciates the opportunity to have input into your deliberations.

Yours faithfully,

Carol A Burgess

Course Director

Bachelor of Teaching (Birth - Five) and Bachelor of Education (Birth-Five)

Bachelor of Education Early Childhood and Primary

Graduate Certificate Child and Family Studies

Faculty of Education

Charles Sturt University

Panorama Ave

Bathurst NSW 2795

Australia

Tel: (02) 6338 4413

NSW State President Early Childhood Australia (ECA)

Overview

In this submission I will be addressing the objectives that the Australian Government has outlined in the commissioning of this Inquiry. The objectives seek to examine and identify future options for a child care and early childhood learning system.

These objectives are that such a system -

- supports workforce participation, particularly for women
- addresses children's learning and development needs, including the transition to schooling
- is more flexible to suit the needs of families, including families with non-standard work hours, disadvantaged children, and regional families
- is based on appropriate and fiscally sustainable funding arrangements that better support flexible, affordable and accessible quality child care and early childhood learning.

Discussion

Objective one

- supports workforce participation, particularly for women

Recent public debate about the child care system in Australia has focused primarily on the availability and affordability of child care. We need to remember that productivity is one, but not the only, goal of Early Childhood Education Care (ECEC). ECEC services can and must deliver much more to children than a service that allows their mothers to be productive members of the workforce. We need to remember that our children should have the right to the best early education our country can provide. The government has given assurances that they support the objectives of the National Quality Framework (NQF) in regards to children's learning. However the terms of reference and scope of the inquiry presents a perspective that demonstrates that the government is only viewing the ECEC sector through the prism of workforce participation and economic imperatives.

An excellent child care system is important to enable parents to balance work and family life, to encourage the workforce participation of parents, and to foster the development of Australian children. We also know from current research that ECEC is a great investment. ECEC closes the socio-economic gap. We also know for any of these benefits to kick in, early education needs to be high quality and based on the needs of the child.

Many advocates, policymakers, and researchers now recognize that a strong start includes the provision of affordable, high-quality child care and continues

with the immersion of children in nurturing, language-rich learning environments before and after entry into school.

Objective two

- addresses children’s learning and development needs, including the transition to schooling

The importance of ECEC and early childhood development cannot be overstated. Most of our development as individuals takes place in early childhood. Research shows that it is from birth to age five that children rapidly develop the foundations on which subsequent development builds. ECEC centres today are not merely child minding centres, if ever they were. They are centres of early childhood development where the early childhood education of children begins in their most formative years and in the period of most intense physical and neurological development.

ECEC is about more than a safe, nurturing environment. It is a place where children can learn and play socially and safely, developing the skills that will set them up for success in future learning. However clear regulation and oversight is essential to the safety and wellbeing of children.

Research shows that every dollar invested in high-quality early childhood education produces a 7 to 10 percent annual return on investment. As Nobel Prize-winning economist James Heckman points out, the longer society waits to intervene in children’s lives, the more costly and difficult it becomes to make up for early setbacks - both for the child and for the nation as a whole. Investing in the first eight years is critical for children to succeed, both in school and in life. Transitioning effectively into primary school depends largely on a child’s development across critical areas of wellbeing.

Quality is a salient consideration in ECEC; child development research shows conclusively that “quality matters”: good quality benefits children while poor quality may be detrimental (Shonkoff and Phillips, 2000). Quality reforms are expected to improve outcomes for children, so children can start school as happy and confident learners. We know from repeated evidence that quality education and care based on good relationships, delivered by educators with specialist early-education qualifications, where there are good staff-child ratios, has huge benefits for children. Recent research from the University of Melbourne has shown having a quality early education enables children to score up to 30 points more in their NAPLAN tests in year 3 at school.

Good educators make a real difference to children’s lives and learning. Raising the quality of care through better educated educators is a crucial ongoing reform which would bring Australia into line with international best practice. Along with more and better qualified educators, the National Quality Standard is the NQF’s main lever for improving quality in education and care for children and families. Child care educators are paid very poorly, far less than educators in the schools sector or professionals in comparable sectors. Current

government policies are not focused on improving compensation of teachers in ECEC settings or bringing their pay in line with primary school teachers.

Objective three

- is more flexible to suit the needs of families, including families with non-standard work hours, disadvantaged children, and regional families.

Research has indicated and conventional wisdom supports, that centres must focus first on the basic elements of quality care – including ratio, quality of the developmental program, and the training/experience level of staff – in order to meet the needs of families who use their centre. In ECEC, “family friendly” means adopting policies and practices that create a true collaboration between families and staff with the well-being of the child as the focus.

Family-friendly centres exhibit a culture of strong support for families, a focus on parent involvement and participation in the centre in ways that are feasible for the families enrolled, and an emphasis on the myriad relationships that result in the best possible experience for the children enrolled at the centre. Quality is a pre-requisite for family friendliness; unless the elements of quality care are in place, family friendliness matters little.

Objective four

- is based on appropriate and fiscally sustainable funding arrangements that better support flexible, affordable and accessible quality child care and early childhood learning.

Over the past 20 years the Australian child care market has gone through a period of substantial change, from a sector with around 4,100 services in 1991, the majority of which were community not-for-profit services, to a sector with 13,638 services, with a larger number of private providers. Over that same period the number of children using child care increased from 256,326 in 1991 to 871,107 in 2010. Increasing child care use has supported women’s labour force participation, which increased from 52 per cent in January 1991 to 58 per cent in March 2010. The inclusion of for-profit operators in government subsidy programs in 1991 made possible this rapid expansion in childcare services (DEEWR 2010)

The increase in working parents in Australia, changing demographics, new work patterns and evolving family structures has highlighted the importance of affordable, accessible and quality child-care services. A large proportion of early education and child care services are operated on a commercial basis and while we can argue that for-profit ECEC may be an important component of successful child care systems we still need to acknowledge that they are there so that their owners can make money out of providing childcare.

Support for the assessment and ratings process for early education and care services is becoming fought along an ideological divide between those services that are run for-profit and those that aren't. It would be unfair and untrue to say

that all for-profit providers are opposed to the ratings process, but many of their peak organisations have been vocally campaigning for the changes to the NQF and one would surmise that this is because quality childcare costs money to provide. Needing to comply with quality standards costs money. And every cent that is spent on meeting quality standards is a cent that is not going on the profit side of the business ledger.

The research examining multiple variables across jurisdictions shows that public and non-profit child care is significantly more likely to be better quality than for-profit child care. This does not mean that, by definition, all child care programs set up as non-profit are high quality and all those set up as businesses are poor quality, but that auspice (who owns the program)—through its impact on program-related factors such as wages, working conditions, ECE training, staff turnover, staff morale, staff/child ratios and group size—plays a key role in determining whether program quality will be higher or lower. It is noteworthy that virtually all the available research shows that for-profit operation is a key factor linked to poorer quality.

We do know that whether ECEC centres are for-profit or not-for-profit is not the only policy issue that determines whether children and families get high quality early childhood services. However we do know that it is a fundamental choice that influences how well other key structural policy elements - public financing, a planned (not market) approach, well paid, early childhood-educated staff treated as professionals, a sound pedagogical approach and ongoing quality assurance - function to ensure high quality and equitable access.

The Commonwealth provides assistance to families to improve the affordability of early childhood education and child care through the Child Care Benefit and Child Care Rebate. However, these payments have not kept up with the rising cost of care, particularly with the capping of the rebate. Shortages of places persist in many parts of Australia. While this is predominately a matter for the market to address, Governments have a role in identifying areas of undersupply and oversupply and in planning approvals. Capital incentives in areas of shortage in rural, remote or socially disadvantaged areas would help bring ECEC to areas where it would be of great benefit to children families and the community.

Conclusion

In Australia there is now a greater policy focus on child care as an agent for early learning partly as a response to the enormous volume of early childhood research and in part as a result of the rise and fall of ABC Learning. One of the major accomplishments of the federal government was getting the Council of Australian Governments to agree to a *National Quality Framework* for early childhood education and care to be implemented over several years. Among the many positive elements of the Framework is the inclusion of increased staff-to-child ratios which will give each child more individual care and attention. It also includes higher staff qualifications to ensure staff have the skills to lead activities that help children learn and develop.

To continue to build on these and many more very positive improvements the federal government has made, they must work in partnership with states to build on their achievements. Policymakers at the federal, state and local levels should look to the decades of evidence on best practices in early childhood fields as they advance their legislative efforts. With such evidence on their side, elected officials, advocates and other policymakers are well positioned to make the case for a comprehensive and integrated birth through age 8 system that ensures all children have a real chance to succeed and contribute to a stronger nation.

References

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Shonkoff, J. & Phillips, D. (2000). *From neurons to neighborhoods: The science of early childhood development*. Washington, DC.: National Academies Press.