

3 February
2014

SUBMISSION:
**Productivity Commission Inquiry
into Childcare & Early Childhood
Learning**



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1.0 Introduction

1.1 About WACOSS

The Western Australian Council of Social Service (the Council) is the leading peak organisation for the community services sector in Western Australia, and represents its 300 members and the over 800 organisations involved in the provision of services to individuals, families and children in our community.

As the peak body of the community service sector in WA and an advocate for low income and disadvantaged members of the WA community, the Council has a particular interest in the adequacy of living standards and quality of life experienced by Western Australians living on a low income. Children, young people and their families are also particular priorities within the Council's work.

1.2 About this submission

In this submission, the Council has focused on addressing the first term of reference of the Inquiry, namely:

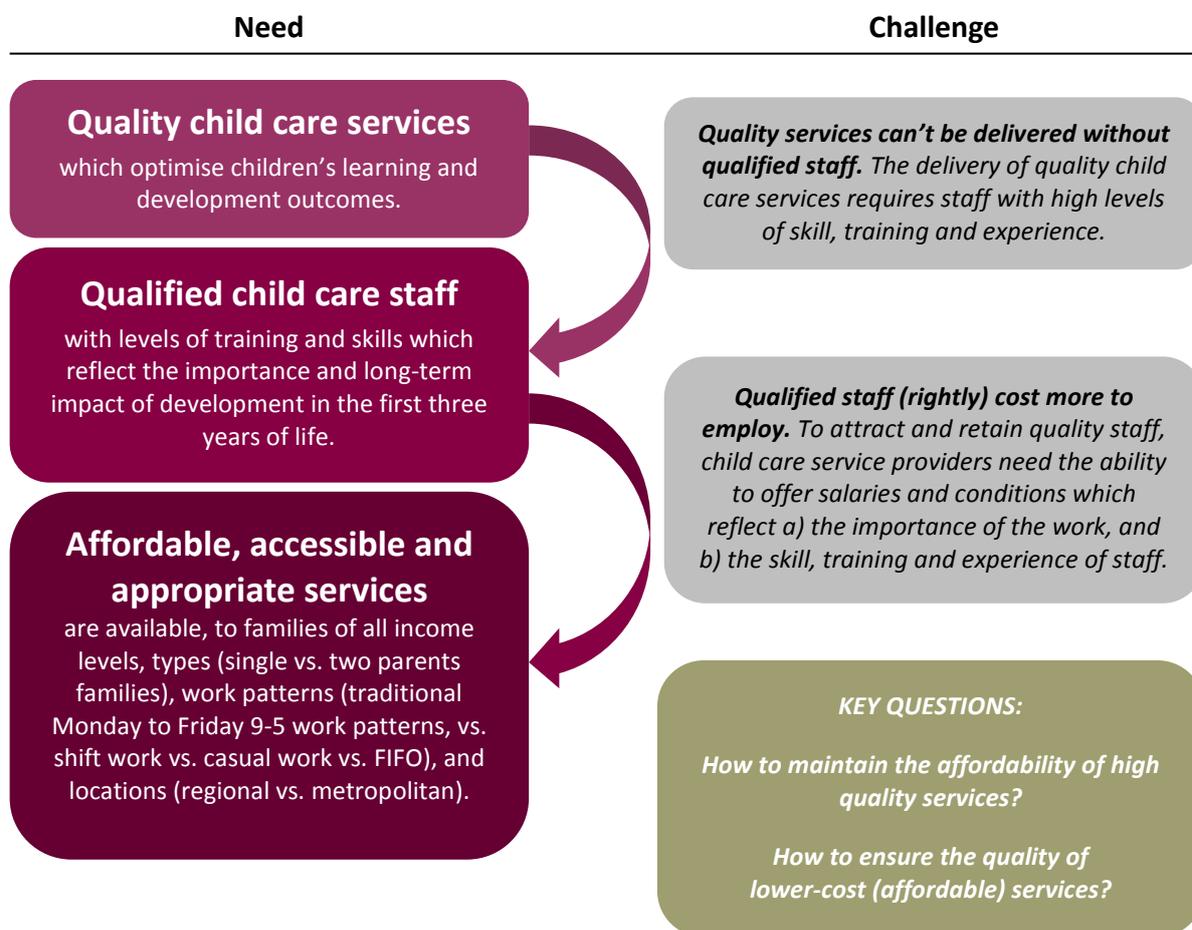
1. *The contribution that access to affordable, high quality child care can make to:*
 - *increased participation in the workforce, particularly for women;*
 - *optimising children's learning and development.*

The Council has a particular interest in this term of reference, as it related to our ongoing advocacy relating to both optimising outcomes for children and families, and ensuring the wellbeing of low-income households and people on fixed incomes.

A number of our member organisations have indicated they intend to prepare submissions to this Inquiry. While our members' submissions will provide first-hand information and reflections on issues faced by organisations involved in the direct provision of child care services, the Council's submission is designed to complement our members' submissions by taking a bigger-picture look at the importance of, and challenges inherent in, the delivery of child care services in WA. In doing so we seek to draw attention to systemic factors that need to be addressed to deliver better early child development and life-course outcomes for all Australian children, particularly our most vulnerable.



In preparing this submission, the Council is cognisant of the challenge involved in achieving a balance between the following needs:



The ability to deliver both high quality and affordable child care services is a balancing act which has flow-on effects relating to:

- a. The ability of parents (particularly mothers) to participate in the workforce;
- b. The ability of single parents to enter the workforce, especially following a period on welfare;
- c. The long-term impacts of lower income and superannuation levels of parents (typically mothers) who choose not (or are unable) to participate in the workforce due to caring responsibilities.

The Council’s ongoing policy work relating to welfare reform (e.g. the impact of the shift of Single Parent Payment recipients to Newstart), the need to increase the WA State Minimum Wage, the need for an overarching children’s services framework in WA, and the delivery of appropriate supports and services to vulnerable children and families are all highly relevant to this inquiry.



A range of the Council's related publications are available on our website www.wacoss.org.au/policy_and_advocacy, or by clicking the links below:

- [WACOSS's annual Pre-Budget Submission to the WA State Government.](#)
- [WACOSS submissions to the annual Western Australian Industrial Relations Commission State Wage Case.](#)
- [WACOSS's annual Cost of Living Report.](#)
- [WACOSS Options Paper - Office for Early Childhood, July 2012.](#)
- [Other WACOSS submissions and publications relating to children, youth and families.](#)

2.0 The role of childcare in contributing to child development

In this section, we describe the importance of the early years, and the long-term value in ensuring that quality services are delivered to children to optimise their development in the first 3 years of their life.

This section relates to the following term of reference:

1. *The contribution that access to affordable, high quality child care can make to:*
 - *optimising children's learning and development.*

2.1 Why are the 'early years' so important?

The early years (birth to eight years) are a crucial stage where children undergo substantial physical, cognitive, language and social/emotional development. A wide range of literature shows that developmentally appropriate learning opportunities and positive experiences in the early years foster children's holistic development and greatly contribute to successful outcomes later in life.¹

As a signatory to the United Nations Convention on the Rights of the Child, Australia has a longstanding commitment to nurture and protect children in our society. While it is the case that children are particularly vulnerable in the early years, it is also true that the experiences and environment of one's early years of childhood lay the foundation for all future development. They are critically important. The COAG *National Early Childhood Development Strategy* describes this in the following terms:

The convergence of evidence from a range of fields underlines the importance of a child's early growth and development for establishing the foundations of their health, learning, social and cultural outcomes into the future.

Research has shown that the brain grows rapidly and is most malleable during early childhood. Genetic make-up and environmental factors during early childhood interact to have life-long effects on the structural development of a child's brain and on programming biological and behavioural responses. There are sensitive periods for different aspects of development, such as language and emotional control, particularly in the first three years of life, commencing before birth.

¹ Community Services Leadership Group (2011) [Final Report - Early Years Collaborative Project](#), Government of Western Australia, page 6.



The health of the mother during pregnancy and the child's early health have a lasting impact on health and socio-economic status throughout life. Many chronic health problems in adulthood, such as obesity, heart disease, diabetes and mental health problems have their origins in early childhood.

Early development is also critically influenced by the quality of the relationship between the child and primary caregivers. Children have better outcomes when they form a secure attachment with a carer who understands and responds to their physical, emotional, social and learning needs with consistency and warmth.

On the other hand, exposure to ongoing stress and traumatic events, such as abuse and neglect, can have severe impacts on the nervous system's response to stress for the rest of a child's life. This has consequences for a child's future learning, behaviour, and physical and mental health, as well as significant costs to society.

Whether a child is more likely to experience problems later in life or not depends on the accumulation of risk and protective factors, with earlier and longer exposure to multiple risks associated with increased risk overall.²

Two particular fields of research are often cited in relation to the early years – neuroscience and economics. The neurosciences show that early experiences, starting before birth, and most critically up to the age of three, shape our lives by affecting the way the young brain develops. Neuroscience currently confirms that:

- The first five years last a lifetime – children's wellbeing, good nutrition, health, and exercise are critical to brain development and learning;
- Children are born ready to learn, and the best learning happens in nurturing relationships – children learn language by listening to it and using it – children are born ready to use and learn mathematics;
- Children learn through being engaged and doing, watching and copying.³

Professor James J. Heckman, the 2000 Nobel Prize winner in Economic Sciences (with Daniel McFadden), has written extensively on the productivity argument for investing in young children. He contends that “an accumulating body of evidence suggests that early childhood interventions are much more effective than remedies that attempt to compensate for early neglect later in life”.⁴

A large body of empirical work at the interface of neuroscience and social science has established that fundamental cognitive and noncognitive skills are produced in the early years of childhood, long before children start kindergarten. The technology of skill formation developed by economists shows that learning and motivation are dynamic, cumulative processes. Schooling comes too late in the life cycle of the child to be the main locus of remediation for the disadvantaged. Public schools focus only on tested academic knowledge and not the non-cognitive behavioral components that are needed for success

² Council of Australian Governments (2009) [Investing in the Early Years — A National Early Childhood Development Strategy](#), page 8.

³ Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) (2010) [Engaging Families in the Early Childhood Development Story: Final project report of Stage 1](#), pages 7-8.

⁴ Heckman, J. & Masterov, D. (2004) [The Productivity Argument for Investing in Young Children](#), page 1.



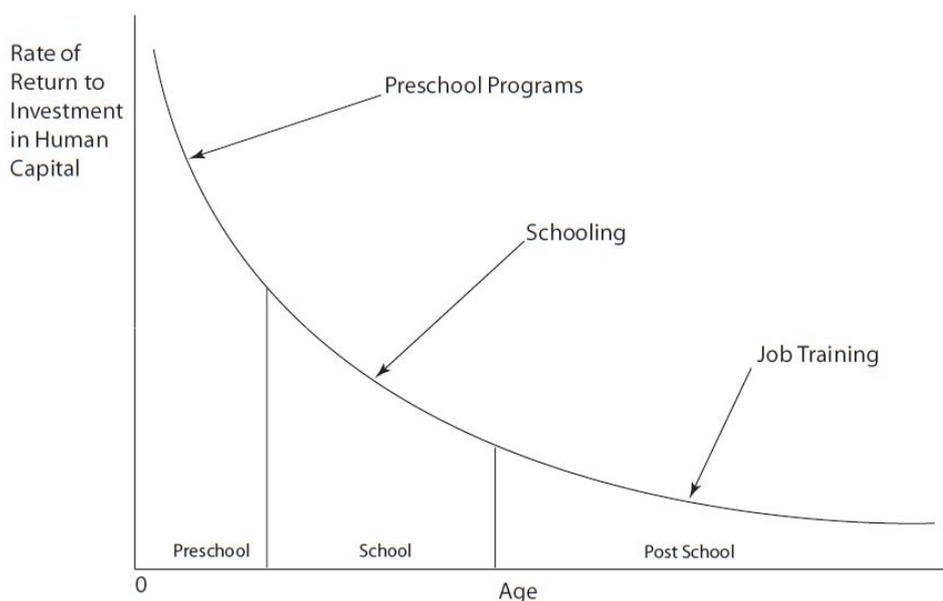
*in life. Schools cannot be expected to duplicate what a successfully functioning family gives its children. Parental environments play a crucial part in shaping the lives of children.*⁵

Heckman's work indicates that the effects of disadvantage appear early, and accumulate over time. He also argues that remedying the effect of such disadvantage at later ages, is expensive, and often cost prohibitive:

*Skill begets skill; learning begets learning. Early disadvantage, if left untouched, leads to academic and social difficulties in later years. Advantages accumulate; so do disadvantages. Another large body of evidence shows that post-school remediation programs like public job training, GED certification and the like cannot compensate for a childhood of neglect for most people. Moreover, early investment is far more cost effective, in that it can achieve the same results, but at a lower cost.*⁶

Heckman uses the figure below to illustrate these points:

Figure 1: Rates of return to human capital investment in disadvantaged children⁷



The fields of neuroscience and economics both provide strong, evidence-based arguments for investment in the early years. **The need to invest in the early years includes ensuring accessible, affordable, high quality child care services are provided.**

2.2 The importance of high quality child care services

For children who spend significant time in the care of child care services, it is critical that their caregivers are knowledgeable, skilled and competent.⁸ The quality of the infant/caregiver relationship is critical to a child's development, because :

⁵ Ibid, page 34.

⁶ Ibid, page 3.

⁷ Ibid, figure 12.

⁸ Department of Health & Ageing (2000) [Promotion, prevention and early intervention for mental health: a monograph](#), Commonwealth Department of Health and Aged Care, page 74.



Through relationships with parents and other caregivers, infants and toddlers learn what other people expect of them and what they can expect of other people. Nurturing, protective, stable, and consistent relationships are essential to young children’s mental health.⁹

Factors including the lack of a warm, positive relationship with caregivers; insecure attachment between carers and infants; harsh, inflexible or inconsistent discipline; and inadequate supervision of, and involvement with, children¹⁰ have been identified as increasing the risk of mental health problems in young children. Research has shown that such negative experiences in early childhood can have life-long impacts, including increasing the risk of young children developing major behavioural and emotional problems in later childhood (including conduct problems, substance misuse, antisocial behaviour and participation in delinquent activities).¹¹

In collaboration with parents (and/or primary care givers) skilled and knowledgeable child care workers play a positive and important role both in both

- Providing learning and development opportunities for children in their care; and
- Monitoring a child’s wellbeing and development, and providing information, advice and referrals to parents as required.

Given the value to society of investing in the early years, it is critical that child care workers are knowledgeable, skilled and competent.

2.3 Staffing high quality child care services

It is important that child care workers are provided with professional development and training opportunities to ensure that they continue to provide services which reflect the current accepted best practice. However, the Council wishes to note its concern regarding reporting in December 2013 that the current Liberal-National Government wanted to spend “\$300 million on professional training and development for childcare workers” rather than the wage rises promised to child care workers by the preceding Labor Government.¹²

In order to attract and retain a professional and skilled child care workforce, it is important that remuneration reflects the (increasing) level of skill and expertise within the sector. The low level of pay provided to the (predominately female) child care workforce is an ongoing challenge which makes it more difficult for services to attract and retain staff. High staff turnover is not desirable situation for any business, but it has particular significance for child care services where children benefit from the positive, stable relationships with (and attachments to) their caregivers. High levels of turnover make it more difficult for these benefits to be realised.

⁹ ZERO TO THREE: Infant Mental Health Task Force (January 2002) [What is infant mental health?](#), UCLA Center for Healthier Children, Families & Communities.

¹⁰ Sanders, M. H. (2002) [Parenting interventions and the prevention of serious mental health problems in children](#), Medical Journal of Australia, Vol. 177 (7 October 2002), pages 87-92.

¹¹ Ibid, page 87.

¹² Swan, J. & Hall, B. (10 December, 2013) [Childcare workers asked to hand back wage rise](#), Sydney Morning Herald.



2.4 Ability to deliver quality child care services in regional Western Australia

People living in regional and especially remote areas of Western Australia face particular challenges in accessing community services, including child care services. Similarly, regional and remote community service providers have been clear in telling the Council the challenges that they face in being able to deliver affordable services.

The availability of affordable and appropriate accommodation for both staff and services is a significant challenge in regional and remote services. Community service providers continue to experience difficulty in recruiting and retaining suitably qualified staff because of a lack of affordable accommodation in regional towns. They also have had to contend with mining companies offering higher wages. In addition, it can be difficult for regional and remote services to ensure relief staff are available to cover when regular staff are on leave (which is critical to maintaining child-staff ratios).

Adding to these pressures is the often prohibitively-high cost of professional training for staff — because being able to undertake professional training often requires travel to, and accommodation in, Perth or one of the larger regional centres.

These issues impact on a wide range of community services in regional and remote WA, but some have particular relevance to the provision of child care services. For example, it is significantly more expensive for regional and remote child care to provide healthy foods for the children in their care. In 2010, the Western Australian Department of Health released its first *Food Access and Costs Survey Report* (FACS Report)¹³. The FACS Report provides a detailed comparison of the price differences for essential food items in metropolitan, regional and remote locations right across Western Australia. The Report found significant differences in the prices of different types of food, with more healthy and nutritious fresh foods being significantly more expensive in regional and remote areas. For example, the mean cost of fruit was 32.2% higher, and dairy products was 40% higher in remote areas, compared with major cities — as shown in Table 1 below.

The Report concluded:

People living in remote areas in WA are at a disadvantage when it comes to affordability and access to healthy food. Food pricing is associated with geographic location, with remote areas paying more for all foods. This increase is across all foods, however, greater for healthier foods.¹⁴

The Council believes it is important that the higher cost of service delivery in regional and remote areas of WA be acknowledged and accommodated in any future planning for the provision of quality, affordable child care services. Similarly, the Council is concerned that a number of regional centres in Western Australia have some of the highest rates of population growth in the country, but there is currently no strategy or formula that links population demographics or levels of need to the resourcing of community services such as child care.

¹³ WA Department of Health (2010) [Food Access and Cost Survey \(FACS\)](#).

¹⁴ Ibid, page 12.



Table 1: Mean cost of HFAB (health food access basket) basic food groups by remoteness, WA¹⁵

Food group	Western Australia	Major cities	Inner regional	Outer regional	Remote	Very remote	Increase from Major cities to very remote	Kendall's Tau p-value
	\$ (CI)	%						
Fruit	112.58 (107.31-117.85)	102.51 (97.78-107.24)	103.20 (95.11-111.28)	99.06 (91.52-106.60)	122.56 (108.12-137.00)	135.54 (125.08-145.99)	32.2	<0.0001
Vegetables (& legumes)	105.13 (100.74-109.53)	98.02 (94.36-101.67)	97.61 (92.38-102.84)	97.65 (88.95-106.34)	108.91 (95.72-122.10)	123.60 (112.92-134.29)	26.1	0.0005
Bread & cereals	139.32 (135.23-143.41)	132.02 (129.58-134.46)	133.33 (128.46-138.21)	127.02 (121.68-132.36)	144.42 (135.96-152.89)	160.04 (149.19-170.88)	21.2	<0.0001
Dairy	50.15 (47.83-52.46)	44.59 (43.71-45.48)	44.10 (42.44-45.75)	47.23 (43.99-50.46)	52.71 (48.65-56.77)	62.43 (55.85-69.02)	40.0	<0.0001
Meat (& alternatives)	113.68 (111.82-115.54)	111.42 (109.48-113.36)	109.01 (104.35-113.67)	110.49 (107.04-113.95)	116.22 (111.95-120.50)	120.29 (114.42-126.16)	8.0	0.0017
Non-core foods	21.32 (20.35-22.29)	19.15 (18.66-19.65)	19.67 (18.39-20.96)	19.75 (18.58-20.92)	23.09 (20.59-25.59)	25.21 (22.15-28.26)	31.6	<0.001
Total healthy food basket	542.19 (525.73-558.65)	507.71 (499.40-516.01)	506.92 (495.87-517.97)	501.20 (490.43-511.97)	567.92 (529.26-606.59)	627.11 (587.59-666.64)	23.5	<0.0001

3.0 In relation to workforce participation

In this section, we describe the contribution access to affordable childcare can make to workforce participation (particularly participation of women), and how lack of access can act as a significant barrier to participation, particularly for low- and fixed-income households.

This section relates to the following term of reference:

1. *The contribution that access to affordable, high quality child care can make to:*
 - *increased participation in the workforce, particularly for women;*

3.1 Caring responsibilities and workforce participation

Women in WA (as in other states of Australia) continue to hold disproportionate responsibility for unpaid work (including the care of elderly people, children and adults with disability and grandchildren), and experience lower rates of pay relative to their male colleagues. In 2009, the Australian Human Rights Commission published an issues paper examining the gender gap in retirement savings, titled: *Accumulating poverty? Women's experiences of inequality over the life cycle*. As the issues paper explained:

Perhaps the most fundamental barrier to women's full participation in paid work and their ability to fully benefit from the retirement income system, is the struggle to balance paid work and caring responsibilities. The onset of caring responsibilities following the birth of children has a significant impact, both on the lifetime earnings and level of paid workforce participation of women.

¹⁵ Ibid, page 34.



In Australia, mothers' workforce participation continues to be low by international standards, which is evidence of the significant barriers to paid workforce participation experienced by employees with caring responsibilities. The employment rates in Australia for women with children, particularly those under six years of age, are low by comparison with other OECD countries. The employment rate of mothers with a child under six years of age is 49.6%, compared with the OECD average of 59.2%.¹⁶

There are a number of interconnected issues related to the care of children that have an impact on women's participation in the paid workforce, including:

- the unequal division of unpaid caring work;
- the limited social infrastructure to support employees with caring responsibilities; and
- the lack of social and economic value placed on unpaid caring.¹⁷

Due to factors such as caring responsibilities, women are also more likely to be in insecure work arrangements, or to move in and out of the paid workforce. This can have a significant impact on their opportunities for advancement at work; lead them to work fewer hours; receive lower income during their working years; experience higher levels of financial stress and possess a much reduced ability to invest towards retirement.

The poor economic situation of women is exacerbated in later life. Many women are reliant on the Age Pension due to minimal retirement savings — a result of lower earnings, lower superannuation and so on. At June 2012, 56.4 per cent of Western Australian Age Pension recipients were women.¹⁸

In this context it's also worth noting that WA has the largest gender pay gap of any state in Australia — a gap much larger than the national average.

Table 2: Average Weekly Ordinary Time Earnings (AWOTE) [Australia & WA]¹⁹

	Western Australia	Australia
Male	\$1811.00	\$1516.40
Female	\$1325.50	\$1250.50
Persons	\$1644.80	\$1420.90
% Difference between male and female AWOTE	36.6%	21.2%

3.2 Low-income households and child care

The Council believes that access to affordable child care should not be a barrier to workforce participation. However, for people in low-paid work this can be the case. The affordability and flexibility of child care are two key factors which can influence a parent's decision about whether it is possible and/or worthwhile for them to participate in the workforce (especially while their children are young).

¹⁶ Australian Human Rights Commission (2009) [Accumulating poverty? Women's experiences of inequality over the lifecycle](#), page 14.

¹⁷ Ibid, page 16.

¹⁸ Department of Social Services (2012) [Statistical Paper No. 11 - Income support customers: a statistical overview 2012](#), page 7.

¹⁹ ABS (2013) [6302.0 - Average Weekly Earnings, Australia, May 2013](#), Tables 2 & 12E.



Each year, the Council produces a *Cost of Living (in WA) Report*.²⁰ The report models the income and expenditure of three low-income household types, two of which are relevant to this inquiry — a single parent family, and a two parent family. The characteristics of these two model households are outlined in the table below:

	Single Parent Family	Working Family
Household members	Single mother with two dependent children.	Working family with 2 school aged children.
Age	34 years old, with two children aged 7 and 8.	2 adults aged 40 and 38 years, with two children aged 11 and 13.
Income source	Mother – works 18 hours a week for 39 weeks a year at minimum wage + casual loading. Eligible for government payments.	1 works full-time (minimum wage + 33%); the other casual (16 hours per week at minimum wage with casual loading). Eligible for government payments.
Housing	Rents a unit (85% median unit rental)	Rents a house (85% median house rental)
Education	Both children attend a public primary school.	Both children attend a public school.
Transport	Owens a small car.	Own a small car and uses public transport for 5 round trips per week.
Health	No private health insurance.	Has basic private health insurance.

The models assume that in each household one parent works part-time (or casual) hours in order to manage the caring responsibilities of their two children.

	Single parent family (Parenting Payment Single)	Single Parent family (Moved to Newstart Allowance from 1 Jan 2013)	Working family
Total weekly income	\$899.70	\$822.58	\$1,322.13
Total expenditure	\$935.16	\$935.16	\$1,309.23
Difference	-\$35.46	-\$112.58	\$12.90

What is significant about these findings for this inquiry is that in these households, both children attend compulsory, full-time schooling, which provides a parent in the household with some opportunity to seek employment within school hours at no extra cost (employment outside school hours may incur costs). For a parent with a child below school age, to undertake employment they will need to find and secure a place at an appropriate child care service. The challenges inherent in achieving this include that:

- At an average full day cost at a child care centre in WA, costs approximately \$82.94.²¹ This means that the parent needs to earn more than the cost of their child care, plus any other

²⁰ All past Cost of Living Reports produced by the Council can be accessed here: http://www.wacoss.org.au/policy_and_advocacy/CostofLiving.aspx.

²¹ Marszalek, J. & Gothe-Snape, J. (21 July 2013) [Childcare costs keep NSW mums out of the workforce](#), The Daily Telegraph



costs associated with work (travel, clothing etc.) in order to not be losing financially as a result of employment.²²

- It assumes that the parent is able to find child care for their child — that is, child care centre which is located a manageable distance from their home, which runs between hours which complement the parent's working schedule, and which provides a service suitable to the needs of their child. This may be particularly challenging if the parent's employer requires them to work irregular or inconsistent hours week-to-week.

Insecure work (in particular, the lack of leave entitlements) places low-income families in a precarious financial position. For example, if a parent has a child who is unable to attend child care because of illness, a parent without leave entitlements may not be able to attend work that day (because they need to care for their child) and as a result, will receive no pay that day. However, that parent will still likely be required to pay for their child's place in child care that day, even though they are unable to attend. While the need for child care centres to maintain a viable cash flow is acknowledged, the Council encourages the Commission to *also* acknowledge that such factors can act as a barrier to workforce participation for parents.

For people on low fixed incomes (such as the Newstart Allowance, or Single Parent Payment) the high cost of child care can make the transition from unemployment into work almost untenable. This can be a challenge almost impossible to overcome for people transitioning into *low paid work*. For example, for single parents seeking to transition into work (either full- or part-time), the difficulty in finding both work (which pays enough) and child care (which costs little enough), which provide hours which are flexible enough to complement one another, can be very difficult.

*The lack of flexible working arrangements and social support for working parents forces many women into insecure work, especially those with caring responsibilities. Most part-time jobs in Australia are casual jobs, and 55% of casuals are women – as a result 25.5% of all women workers find themselves in casual employment. Industries that predominantly employ casual and insecure workers such as health care and social assistance and the retail trade are heavily female dominated. As a result over a quarter of women employees do not have access to paid leave entitlements, compared to around one fifth of men.*²³

Single parents (of whom the majority are also women) tend to be highly dependent on casual and part-time work, and face significant challenges with insecure working hours and childcare arrangements — as well as unpredictable wages and social security reporting requirements. The transition back and forth between income support and casual and insecure work can also be particularly challenging because of different payment periods, payment delays and administrative errors, together with how these factors coincide with the availability and cost of childcare.

²² We acknowledge that there may also be non-financial benefits to working, relating to career development.

²³ ACTU (2012) [Lives On Hold: Unlocking the Potential of Australia's Workforce \(The Independent Inquiry into Insecure Work in Australia\)](#).



4.0 Other points

4.1 Child care benefits for vulnerable children

The Council encourages the Commission to give special consideration to the availability and funding of child care for vulnerable children. For example, there are a number of current child care arrangements which could be combined to better support some of the most vulnerable members of our community, as well as providing clarity for foster carers and the organisations that support them.

The *National Framework for Protecting Australia's Children 2009–2020* makes clear:

Australia needs to move from seeing 'protecting children' merely as a response to abuse and neglect to one of promoting the safety and wellbeing of children. Leading researchers and practitioners – both in Australia and overseas – have suggested that applying a public health model to care and protection will deliver better outcomes for our children and young people and their families²⁴

This public health approach means

... priority is placed on having universal supports available for all families (for example, health and education). More intensive (secondary) prevention interventions are provided to those families that need additional assistance with a focus on early intervention. Tertiary child protection services are a last resort, and the least desirable option for families and governments.

Just as a health system is more than hospitals so a system for the protection of children is more than a statutory child protection service.²⁵

With regards to shifting towards a public health approach, the Council suggests that the introduction of a **Vulnerable Child Care Benefit** — which provides targeted support to at-risk children — would be an appropriate intensive response within the universal service that is child care. Introduction of such a benefit could replace a number of existing special child care benefits, including:

- The Grandparent Child Care Benefit (GCCB) — for grandparents who care for a child at risk of serious abuse or neglect; and
- The Special Child Care Benefit (SCCB) is paid where a child is at risk of serious abuse or neglect.

A simplified benefit which provides for, or subsidises, the child care costs of vulnerable children (including, but not limited to, those in contact with state child protection systems) would make a positive contribution to the lives of such children, ensuring those who undertake to care for them are adequately supported.

²⁴ Council of Australian Governments (2009) [Protecting Children is Everyone's Business: National Framework for Protecting Australia's Children 2009–2020](#), page 7.

²⁵ Ibid, page 7.



4.2 The need for an overarching children’s services framework

The Council continues to advocate for the establishment of an overarching children’s services framework in WA. Such a framework is needed in order to improve the coordination of policy work and government decisions at both state and national levels relating to children’s services across the range of Government Departments and policy areas including health, education, child protection, family and community services and income support. Given the importance of investing in the early years in order for the government to achieve maximum return on its investment, it makes good sense for such work and decisions to be undertaken in a more collaborative, collectively well-informed and consistent manner.

The need for an overarching strategy was also highlighted as a “top priority for improving Australia’s workforce capabilities” by the Committee for Economic Development of Australia (CEDA) in their 2013 CEDA/Business Spectator Big Issues survey. CEDA highlighted the need for the development of

*...a national overarching strategy for education, from early childhood through to tertiary education and a targeted strategy to align skills and training with long-term workforce needs, respectively...*²⁶

Below we have provided two examples of situations where the lack of an overarching children’s services framework (or strategy) is disadvantaging children, and/or the services which provide care for them.

- **Working with Children Checks**

One example of a situation where an overarching children’s services framework could be used to bring about positive, productive change relates to the processes involved in applying for *Working with Children Checks*. At present, the rules and processes with regards to applying (and being approved) for a Working With Children Check vary significantly across jurisdictions within Australia.

In April 2009, the Council of Australian Governments (COAG) endorsed the *National Framework for Protecting Australia’s Children 2009-2020*.²⁷ One of the actions under *Supporting Outcome 2* (children and families access adequate support to promote safety and intervene early) is the development of a ‘nationally consistent approach to working with children checks’. One of the actions under *Supporting Outcome 6* (sexual abuse and exploitation is prevented) is the implementation of a national framework for inter-jurisdictional exchange of criminal history for people working with children.

In June 2010 the Community and Disability Services Ministers Conference agreed to progress a nationally consistent approach to working with children checks. The position paper *Toward a Nationally Consistent Approach to Working with Children Checks* provides an update.²⁸

To date, neither of these two initiatives has resulted in a national check being introduced. The Council suggests that part of the reason is that in both cases, the discussion has been substantially

²⁶ CEDA (2013) [Big Issues survey results 2013](#).

²⁷ Council of Australian Governments (2009) [Protecting Children is Everyone’s Business: National Framework for Protecting Australia’s Children 2009–2020](#).

²⁸ FaHCSIA (2013) [Position Paper: Toward a Nationally Consistent Approach to Working with Children Checks](#).



limited to an inter-jurisdictional one between the various Governments, rather than a broader conversation involving the community sector, concerned individuals and so on.²⁹

- **Funding of Child Care and Pre-School**

Currently there is significant variation between states regarding the funding of child care. Some of these differences are particularly pronounced and disadvantageous to child care services in Western Australia.

Unlike in other states — where all early childhood services have been brought under the responsibility of one Department (such as Education), this is not the case in WA, where the Department for Education has no responsibility for the funding of child care services, or early childhood trained educators within those services. This has led to dramatic differences in the wages and conditions afforded equivalently qualified educators in the child care and education sectors. This difference is no more pronounced than in regional and remote WA.

Public schools located in remote regions of WA are able to provide a range of financial incentives to staff in order to attract them to their school. Such incentives have included rent-free housing and relocation costs, locality allowances of between \$14,000 and \$19,000 per annum, flexible leave conditions, and fast-tracked permanency. These are benefits which the WA Department of Education have found are *required* in order to attract staff to remote locations. Unfortunately, child care services in similarly remote locations are rarely able to provide equivalent benefits, making it very difficult in comparison for them to attract and retain staff.

The lack of consistency between jurisdictions means that significant inequities have arisen; negatively impacting both staff and children within child care centres (particularly those in regional and remote areas). This lack of consistency between jurisdictions is just one of the concerns which would benefit from being addressed as a part of an overarching children’s services framework.

5.0 Conclusion

On page 3 of this submission, the Council identified 2 “key questions”:

1. *How to maintain the affordability of high quality services?*
2. *How to ensure the quality of lower-cost (affordable) services?*

While both questions are very similar, taken individually the answers to each question can potentially take us in diverging directions – due to the relative balance in emphasis between the need for affordable services and the need for quality services. That is, is it more important to ensure child care access to all who want or need it (... in order to encourage workforce participation)? – Or is it a greater priority to ensure that child care services provide the highest quality of care (given the importance of the early years in human development)? The fact that this question does not have a

²⁹ The Council made similar observations in our 2013 submission to the *Royal Commission into Institutional Responses to Child Sexual Abuse: Issues Paper 1 – Working with Children Check*. In this submission, the Council suggested that preparation of a further Discussion Paper should be prepared by the Royal Commission in response to the submissions, as this could provide a catalyst for a more inclusive, and much needed national discussion regarding Working with Children Checks.



simple answer highlights the challenges *inherent* in determining optimal child care policy in Western Australia and Australia. Clearly we want to pursue both outcomes and seek to achieve the most optimal and efficient balance to have the greatest impact with limited resources.

Achieving the optimal balance or compromise between the need for affordable services and the need for quality services, is the key. As such, the Council encourages the Commission — and those who have the opportunity to potentially act upon any recommendations the Commission makes in its final report — to commit to clearly communicating the rationale behind the balance or compromise it ultimately recommends. While it is likely that there is no one compromise solution that will please all parties (especially since child care policy can be seen to either directly or indirectly impact almost all members of society, in either the short or long term), honest acknowledgement of the challenges, and recommendations which clearly seek to balance the best interests of all parties will be key to successful implementation of any recommendations the Productivity Commission may make.

From the Council's point of view we are keen to see the Commission prioritise delivering sustainable long-term outcomes for the most vulnerable in our community – so that developmentally vulnerable children from disadvantaged background have access to quality care to give them a decent start in life, and disadvantaged parents (such as single-parents seeking to re-engage with the workforce) are able to access affordable and appropriate child care options that enable them to improve their circumstances.

The Council thanks the Productivity Commission for the opportunity to provide a submission to the inquiry into *Childcare and Early Childhood Learning*. Should the Commission have any questions or concerns about this submission, or should you want any further information, please contact Chris Twomey, Director Social Policy at WACOSS

