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**Response to the Productivity Commission's
Inquiry on
Childcare and Early Childhood Learning**

February 2014

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About CCSA

CCSA is a peak body with a vision for sustainable and valued early childhood education and care (ECEC). CCSA partners with and advocates for ECEC services to ensure positive outcomes for children and communities. We achieve this by providing leadership and using our expertise in meeting the governance, management, training, business and industrial relations needs of early childhood education and care settings.

CCSA has been operating for more than 43 years, supporting both commercial and not-for-profit ECEC services with governance, management and administration needs and supporting services to comply with workplace relations laws. We deliver an annual program of regional training that builds service capability, presenting up to thirty forums and workshops to ECEC services across NSW. This is complemented by providing training to individual services across the areas of organisational management, governance, financial management and leadership integrated with professional ECEC practice. We also contract to the NSW Professional Support Co-ordinator to provide similar services (DEC funded).

CCSA -

- supports all providers in the sector including boards and committees, individual owners, centre directors/coordinators/managers, administrators and educators.
- receives continuous feedback regarding service issues through its 1800 telephone support line and consultations, providing up to date information regarding service issues as well as being able to track change and its effect.
- has represented the sector industrially in both the state (NSW Industrial Relations Commission) and federal jurisdictions (Fair Work Commission) through submissions and providing evidence and information. We are currently involved with the FWC with the childcare pay equity case providing objective sector information as we are not aligned with either employers or unions.
- contributes at a political level in the sector through state and federal reference groups regarding legislation & regulation, policy & funding.
- is a member of the NSW Health & Community Services Industry and Advisory Board advisory group (ITAB)

CCSA's contribution to the sector also includes -

- participating in NSW Department of Education and Communities and the national Department of Education advisory groups and roundtables
- Membership of the NSW Professional Experience Council (Universities, Registered Training Organisation's and major employers)

CCSA also –

- has an 1800 management Infoline that receives more than eighty phone calls each week from Directors, committee members and staff. We also respond to more than twenty five items of written requests for assistance each week.
- delivers a state based conference for all levels of service providers and professionals

- is not aligned with employer groups or unions- the focus is on healthy and sustainable business
- provides one to one support to ECEC services through our suite of consultancy services focused on building healthy and capable of organisations and professionals. More than 50 consultancies are undertaken each year, and these involve working directly with-
 - boards and committees,
 - owners,
 - Directors (on-site managers),
 - administration staff and
 - educators/practitioners

This covers a range of needs including-

- governance,
- leadership,
- management,
- National Quality Framework,
- Learning Frameworks
- strategic planning,
- financial management,
- managing change,
- sustainability,
- business planning,
- Modern Awards and workplace relations,
- dispute resolution and
- mentoring and performance reviews of ECEC Directors.

We have a strong knowledge of the issues faced by children’s services in rural and remote areas, from regular contact through our ‘infoline’ and a continuing commitment to regional and remote issues. CCSA has worked with very small services through to large-scale multi-site services. Currently CCSA has approximately 600 for profit and not-for-profit members across NSW which include –

- Long day care
- Preschool
- Mobiles
- Outside School Hours
- Family Day Care
- Occasional Care
- Multi-purpose
- Early Intervention
- Recruitment agency

A large number are located in regional areas.

CCSA also plays a leadership and advocacy role at a state and national level in order to -

- advocate for high quality and affordable early childhood education and care services
- assist government develop and implement effective policy and understand sector needs
- increase community awareness about the value of quality ECEC experiences and qualified early childhood professionals

- promote effective workplaces and excellence in service delivery being a key support for sustainable organisations and better outcomes for children.

CCSA is well placed to comment on the current and future needs of the sector as an organisation that supports both employers and educators in children's services, through its continuous involvement in the training and professional development in the sector, and through continuous engagement with both sides of the employment relationship and service delivery issues. The broad member base of service delivery types and governance structures provides an accurate sector view.

CCSA's staff and board have relevant qualifications and many years experience in professional, management, governance and policy positions within the ECEC sector in large, small and diverse organisations. Individual CCSA staff are also involved in teacher education at university level.

CCSA acknowledges the continued valuable contribution of its members to the information provided in this submission as well as partner organisations, and makes this contribution to support the commission's work to 'help government make better policies in the long term interest of the Australian community'.¹

CCSA notes the time frame allowed for the submission, including end of year closure of services, made it difficult to consult more thoroughly with members and the sector than is preferred.

¹ Productivity Commission website – www.pc.gov.au

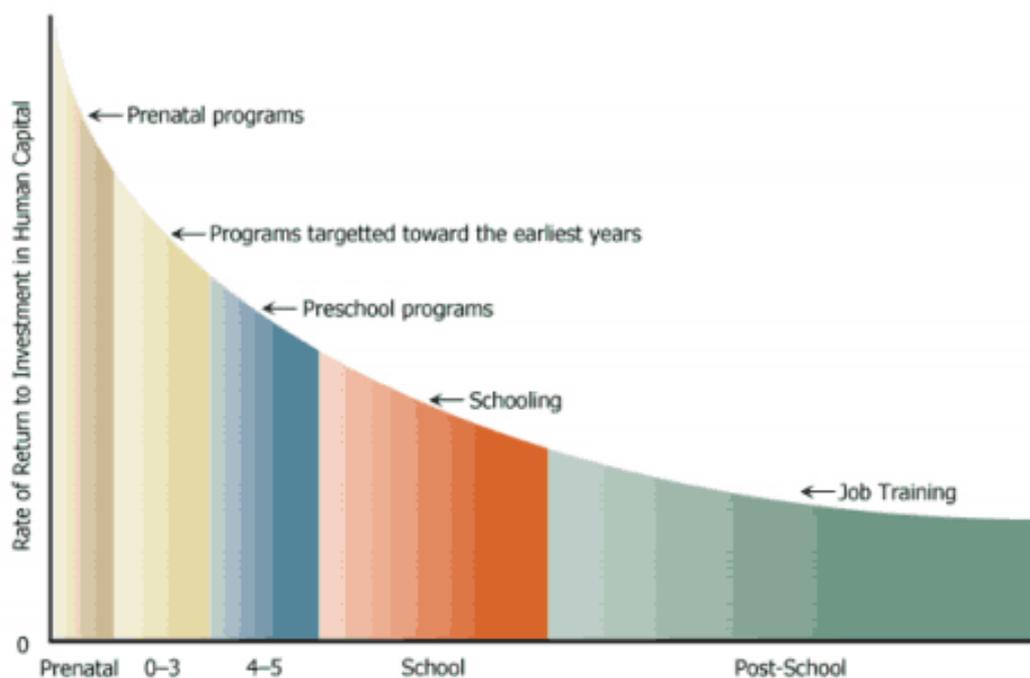
Introduction

The case for maintaining and improving the National Quality Framework (NQF) has already been well made in “Investing in the Early Years- A National Early Childhood Development Strategy” (COAG 2009). It uses, as its foundation, strong research regarding children’s learning and development and the long term social and economic advantage to the country. CCSA does not propose to revisit the need for the continued operation of the NQF but will address key issues where our knowledge and experience can contribute effectively.

The two key areas of the knowledge and skill of educators, including their professional practice, together with improved educator to child ratios are critical to the provision of quality care. The sector and government need to continue the work towards improvement in these areas for the life outcomes of children to improve and for Australia to better match the results of other OECD nations.

CCSA maintains that not only is it first and foremost an inalienable right for children to have quality early learning and development experiences as supported by the Convention on the Rights of the Child, it has clear social and economic advantages for society in the long term. The NQF cites research from James Heckman² and the Effective Provision of Preschool Education (EPPE)³ studies as just two pieces of work that support this position. This evidence provides significant support for governments and policy makers to both continue and increase the investment in quality ECEC.

James Heckman: Returns on a Dollar Invested



Source: Heckman (2008)

² Heckman, J.J., Stixrud, J. and Urzua, S. (2006). The effects of cognitive and non-cognitive abilities on labor market outcomes and social behaviour. *Journal of Labor Economics*, 24 (3), 411-482.

³ Kathy Sylva, Edward Melhuish, Pam Sammons, Iram Siraj-Blatchford, Brenda Taggart Early Childhood Matters: Evidence from the Effective Pre-school and Primary Education Project, Taylor & Francis, 4th January, 2010

The initial investment provided what Heckman calls a “return to society” at an annual rate of 7 percent to 10 percent. Put another way, each dollar spent at age 4 is worth between \$60 and \$300 by age 65.⁴

The Heckman Equation

Anyone looking for upstream solutions to the biggest problems facing America Nobel Prize winning University of Chicago Economics Professor James Heckman understand the great gains to be had by investing in early and equal development potential.

+ Invest

Invest in educational and development resources for disadvantaged families to provide equal access to successful early human development.

+ Develop

Nurture early development of cognitive and social skills in children from birth to age five.

+ Sustain

Sustain early development with effective education through to adulthood.

= Gain

Gain a more capable, productive and valuable workforce that pays dividends to America for generations to come.

In Australia successive national governments have focused the provision of ECEC as support for workforce participation and only more recently to also improving the quality of learning and development experiences for children. The lack of attention to, and investment in, quality has contributed to Australia not being ranked highly in international assessments such as the OECD’s Programme for International Student Assessment (PISA). The NQF addresses some of the structural deficiencies in the learning and development system, recognising that contemporary research identifies the early years are the most significant in children’s lives.

The NQF is still in its infancy and international experiences suggest it will take more than a decade to start to show the benefits of the quality improvements *if* the commitment to providing quality ECEC experiences continues. Indeed COAG recognized the strategy determined a target that

“by 2020 all children have the best start to life to create a better future for themselves and for the nation” (p4)

To continue to improve and reach this goal the overall system would benefit from documented outcomes both at a system level and for individual children and families. Measurement of these outcomes will provide a better picture of the progress towards an effective system where the benefits will be clearer to both participants and consumers (families). The latter contributes to the one of the aims of the NQF to increase the knowledge and understanding of parents and the community of the value of the early years.

⁴ The Heckman Equation sourced from www.heckmanequation.org

Note: CCSA acknowledges Early Childhood Australia's position on the development of an 'outcomes framework'.

Additionally, to ensure all children have access to a quality system, all delivery types receiving government support should be captured by the NQF. This will mean that children in education and care settings which are currently 'out of scope' should be included in the NQF. Currently this means mobile, occasional care and MACS services. Further, any future services provided with funding should also be captured to ensure all children have access to quality ECEC experiences.

Understanding the Sector

There are some elements of the ECEC sector that differentiate it from industries -

- The education and development of children requires a significant number of trained people to deliver the service. This means the cost to deliver is higher than other sectors. It is significantly different to manufacturing widgets, delivering technology or building infrastructure where machinery and technology can reduce operating costs.
- Providers cannot increase profit/margin by producing and selling more product. Licensing numbers are fixed. Profit must be obtained by reducing costs, increasing price or both.
- As it is now a commercially dominated sector there is a continual competition between price and quality
- Competition can control price and assist affordability but can have a negative effect on quality. Lower quality can affect the long term sustainability of the business as well as a social impact.
- Lack of planning has led to oversupply in some areas and undersupply in others.
- The commercial market is not able to supply to the most disadvantaged areas. There is little margin for sustainability when delivering to these areas for government and not-for-profits and is often only feasible if supported by volunteers and other parts/services of the business.
- The commercial market is not able to supply to areas where high set-up and delivery costs (such as land price/rent) lead to an unaffordable price nor to isolated and vulnerable communities
- There is a large number of small providers.
- It is common in the sector for individuals to purchase a service as a business opportunity with little or no prior experience in operating ECEC services.
- Previous experience of service provision by large publicly listed companies indicates this introduces significant risks to the market, consumers and government (The ABC experience).
- The sector has difficulty attracting a qualified workforce through comparably low pay and conditions.
- Rural and, in particular, remote services have fluctuating and lower enrolments due to their smaller populations or those which fluctuate seasonally.

For these reasons governments need to have significant future involvement in the sector to meet the objectives outlined in this inquiry.

Cost, price and margins

The issue of affordability is one of both the price charged by providers and the capacity of the consumer to pay. Each is important in the system and in particular where government supports specific outcomes from policy decisions.

The capacity to pay is directly related to income. The lower the income, the higher the proportion required to support attendance. As the greatest long term educational, social and economic benefit is achieved by regular attendance of the most disadvantaged⁵ then it is prudent for government support to target these children and families for the most financial support and continue to means test against income and set a threshold its removal. CCSA is aware of work being conducted by Professor Deb Brennan of the University of NSW Social Policy Research Centre on financing in the sector and is interested in the outcomes of that work.

The price charged by providers is made up of the cost to deliver the service and incorporates the minimum resources necessary to deliver the service efficiently and then a loading that reflects the philosophical and/or financial goals of the organisation. Each is also effected by outside influences on the operation such as competition and financial imperatives to maintain or sustain the organisation over time. All organisations require an additional margin that will provide for this and the commercial sector requires a larger amount as a profit or return on investment including to shareholders.

There is currently not enough information in the system to determine the minimum cost to deliver a service. Though some costs can be quantified more easily such as staffing (as required by regulation), other costs such as rent/mortgage and margins can be quite varied. It is important with any government supported system that fees are not being inflated by discretionary higher operating margins that reduce affordability to families. Higher fees should reflect such costs as higher base (standard) operating costs, higher standards (such as better child/staff ratios or qualifications) rather than discretionary margins.

Determining a 'reasonable return' on investment would assist to monitor the effectiveness of the financial support the system is providing. Gathering this information will also be valuable in regard to better understanding service provision of the different ECEC delivery types and geographical locations including the challenges they present.

At present the system's main method of supporting affordability is provided to families through Child Care Benefit (CCB) and Child Care Rebate (CCR)- it bears no relationship to the quality outcomes that are identified for children. The relationship is only to the workforce goal of supporting access to work.

An adjustment can be made to the system that would support both goals by providing the funding directly to services rather than families, recognising that staffing costs for services relate directly to quality outcomes for children. Retaining the current means tested system continues the relationship with supporting access to work for those with least opportunity and often greatest need. The system can be simplified by rolling CCB and CCR together under the same means test arrangement. Families are still supported to access/attend work through reduced fees but this recognises the importance of the National Quality Standards to improving quality. It will also remove the difficulty families currently have in managing CCR when they reach the cap.

⁵ OECD (2012), 'Investing in high quality early childhood education and care (ECEC)', (p3)

It would also be a valuable exercise to examine whether additional funding can be added to the support mechanism by redirecting funds attached to the paid parental leave (PPL) scheme. Whilst PPL is well supported and responds to strong research regarding benefits to children's learning and development, the scheme itself could be means tested and capped. This would free up considerable funds for the financial support provided by CCB. This may provide better value for money to the affordability of the system.

CCSA notes that according to OECD figures Australia's public social investment as a percentage of GDP is below the OECD average. Australia's policy of means testing social investment has kept overall expenditure to a lower level than similar OECD nations.⁶

Recommendation:

- Work to be conducted to determine minimum operating costs of services against the regulations and NQS.
- CCB and CCR be rolled together and be means tested to ensure the greatest benefit for the investment in the system whilst continuing to support access to work for families.
- Examine the Paid Parental Leave scheme to determine if means testing and capping would provide better value for money regarding affordability for families by redirecting some of those funds.

CCSA's experience indicates there seems not to be a strong correlation between higher prices (fees charged) and higher quality ratings. However, there does seem to be some correlation between the service/organisation investment in staffing and development and higher quality rating. We have not had an opportunity to investigate this more closely to provide empirical evidence but believe it would be valuable for this to be investigated by the commission in this inquiry.

This would be valuable to inform the cost/benefit of the NQF as publicly supported policy even though it is still in its infancy and the full impact cannot be determined at this time. It would enable better comparison with those areas that are required as minimum standards required.

Recommendation:

- The Productivity Commission to determine if there is any correlation between
 - fees charged and NQS quality rating results and
 - staffing investment (including development) and NQS quality rating resultsas part of this inquiry.

Value

The NQS together with assessment and rating provides families with a guide as to the quality of the service they choose (where there is choice) or their child/ren attend. The NQF recognises that most parents have not had the opportunity to gain the knowledge or skill to make judgments about what are quality learning and development experiences for children. They rely heavily on the relationship with educators and ongoing conversations. As this is commonly the situation it is difficult for them to make a similar judgment as to the value of

⁶ OECD (July 2013 update), Social Expenditure Database

their investment through the fees they pay. Where parents see it only as a means to participate in work, the value to children is less of a priority.

Additionally, in the vast majority of cases, as a consumer they buy a product they do not see, making it almost impossible to make an accurate judgement. In company with a still common view that it is only child minding this affects the values families place on ECEC.

The NQF requires educators to share their knowledge about children's abilities and progress to assist families grow in their knowledge of their children and the service provided. Assessment and rating plays a critical role in informing families of the elements of quality ECEC and the ability of the service to match these standards. Those services that rate well in the system will also be those contributing to the knowledge and understanding of families who will, in turn, gain a better understanding of the value of the service provided rather than simply focusing on the price.

However, it is CCSA's experience that it is not uncommon for educators not to have developed the skill or confidence to have these discussions regularly with parents. In particular educators less qualified or experienced are unsure or hesitant to engage regularly and report still not being confident about the new learning frameworks. In part this is related to having difficulty engaging with the professional language in the framework documents and or professional conversations. This will improve as educators continue their professional development and the system is no longer new. It does need to be recognised that this affects the families view and assessment of whether price is value for money. In most cases this view is expressed only in relation to the proportion of family income.

The NQF is clearly stated as an investment in quality. It will continue to be important that educators engage with families and share their knowledge and professional judgments as well as discussions about price. This will gradually realise the dual goal of increasing the value families place in the early years and the work of educators in the sector. If a consumer cannot recognise the value, the price will always be too high.

This also raises the issue of the quality of the workforce and is addressed later in this submission.

Value to the nation

The OECD supports continued investment in ECEC⁷ and provides three significant rationales-

- It has significant economic and social payoffs
- It supports parents and boosts female employment and
- It is part of society's responsibility to educate children, to combat child poverty and to help children overcome disadvantage.

It has set out five action areas as a 'policy toolbox' for identifying how to improve quality⁸ –

1. Setting out quality goals and regulations
2. Designing and recommending curriculum and standards
3. Improving workforce conditions, qualifications and training
4. Engaging families and communities and
5. Advancing data collection, research and monitoring

⁷ OECD (2012), 'Investing in high quality early childhood education and care (ECEC)', (p1)

⁸ OECD (2012), 'Investing in high quality early childhood education and care (ECEC)', (p8)

The NQF has made good progress in satisfying the first two through the learning frameworks and NQS and the data collection on assessment and rating is informative for future policy development. Actions 3 needs a commitment to long term planning and investment and 4 need to be addressed in a more deliberate and concerted manner at a policy level. The latter will have a significant effect on view about value both from a monetary and quality perspective.

Note: For more information on the Policy Toolbox go to - www.oecd.org/edu/earlychildhood/quality

It is notable that CCSA's for profit members have a good understanding that delivering a quality product is a significant contributor to good returns. More broadly, those services that have a strategic focus on strong engagement with families about what they are providing and achieving, report improved feedback from families about their service in regard to children's learning and development. It is having an impact in a 'value for money' context.

However, this is simultaneously highlighting for them the need to have staff that are both able and confident to engage directly in conversations with parents rather than relying on documentation. It can be difficult to identify and recruit suitable staff that can support this approach and for managers to develop staff management skills for this purpose. It demonstrates a need for more knowledge and skill at the management level.

(see also 'implementing change' below)

Recommendation:

- Information and training be available from suitably qualified ECEC people to upskill staff to directly connect with and share information about children's learning and development.

Regulatory burden

There has been concern voiced within the sector over what has been termed the regulatory burden of services. The discourse shows that there are considerable differences regarding what regulatory burden is in the context of the framework. CCSA's experience in dealing with both educators and providers is that there is often little understanding of the difference between what is required to operate a service in keeping with the legislative framework and the professional requirement for educators to plan and implement quality learning and development experiences for children.

The recent report by the Australian Children's Education & Care Quality Authority (ACECQA) titled "Report on the National Quality Framework and Regulatory Burden (2013)" supports this view outlining that "in this way they (the latter) are obligations that differ from what is traditionally considered 'red-tape'. The professional documentation required for effective planning and practice with children has long been a part of professional practice in the sector. What is new is the introduction of external assessment and rating as a driver for improved quality in the system. Uncertainty about what is expected for some services has brought about increased amounts of documentation in the hope that something within the volume of what has been recorded will be 'right' and therefore 'pass'. CSA's experience indicates there appears to be a correlation with more inexperienced and less qualified staff, reinforcing the NQF as a mechanism to improve standards.

ACECQA's report indicates that this fear of the unknown reduces over time when people become used to the system and gain more confidence. The perception survey found that "the NQF enjoys strong support from providers, nominated supervisors and FDC educators", particularly those that had experienced the assessment process. This supports the view that both providers and educators will become more comfortable with the operation of the NQF as they become more familiar with the system.

However, it does need to be recognised that providers and educators will be assisted by more certainty and this can be achieved through the introduction of clear information from ACECQA that outlines the expectation is 'quality not quantity' of documentation. This needs to be further assisted by continuing to make available opportunities for educators to increase their knowledge and skill in this regard. An example is the provision through Early Childhood Australia of the Professional Learning Program which CCSA has used effectively as a resource for improved professional practice. Initiatives such as this example, along with others provided in the sector, are an important component that improves practice and confidence within the sector.

ACECQA itself recognises the separation of regulatory compliance with professional practice. In its report ACECQA states it "supports reducing administrative burden but considers it imperative that in any attempt to reduce paperwork, the NQF's benefit to children and its focus on improving service quality are maintained". It goes on to say that

"administrative burden, both cost-based and perceived, can be driven down by greater support to the sector to increase its confidence and make it simpler to meet the obligations".

CCSA understands that Part II of the ACECQA report includes a recommendation addressing this issue (Theme 3 N^o 8) but CCSA maintains it is not just about assessment and evaluation of children's learning but how that contributes to children's future learning and the implication for professional practice and planning. It will also be important that this is not prescriptive or provide 'templates' but reflects the Learning Frameworks (EYLF) and allows educators to make informed judgements about children's learning.

It is important that educators grow to understand the learning framework documents do not require large amounts of documentation but ask educators to make professional judgements about what to document and how that informs the development of valuable effectively learning experiences. The continuous professional learning of educators is critical for quality to improve.

Recommendation:

- Clear information is provided on the expectations of professional documentation that has value for the educational and development outcomes of children. This be supported by the resources and learning opportunities made available to the sector and supports flexibility and professional, well-informed judgements. Quality not quantity is the goal.

CCSA members report that nationally consistent regulation is good for the sector. At the same time it has been challenging at times to adjust to the changes. However, it is recognised that this becomes easier over time. It is, in effect for the most part, a one-off adjustment with the only difference being the ration changes but there is acknowledgement that there is significant time to make appropriate changes.

A difficulty has been experienced with certification of supervisors with significant delay (NSW experience) and frustration experienced. For most services it has meant getting all staff certified where possible to ensure compliance. This has also created difficulty in some regional and remote areas where not all staff have been able to meet the requirements of qualification and experience. This is particularly so in challenged communities.

There is a general view that the need for nominated supervisor would be sufficient. Additionally, the need to display the name of the *current* certified supervisor at all times results draws staff away from children in situations where this notice needs to be changed a number of times each day. Whilst it is accepted that it is valuable for parents and others to be able to speak to a responsible person, simply asking any staff member should provide the same result.

Implementing Change

A further challenge for the sector is the ability to implement change effectively. This has relied heavily on lead educators having the knowledge and ability to lead a team through significant amounts of written information and its practical application. Additionally, it has fallen to on-site managers (often titled Directors) to lead their employer or organisation to know and understand the new regulatory environment and standards of practice and service delivery.

This expectation heightened an existing deficiency in the sector, that being the majority of managers in the sector have not had an opportunity to gain knowledge or skill in management or leadership. Educators with teacher training or diploma are often placed in leadership roles within two years of becoming qualified. CCSA's feedback over many years is the difficulty educators in leadership roles experience in managing people effectively. It has been a continuous focus of CCSA's work but has become much more significant with the introduction of the NQF. The implementation of the NQF will be considerably assisted by those in management positions being able to access support and training in management, not only as educational leaders.

CCSA receives regular feedback that good quality training/education in this area is-

- not available,
- not easily accessed or
- only available through a very limited number of agencies that are government supported.

CCSA notes that Early Years Learning Framework was introduced (2009) with a significant investment by government in training, information and supporting ways for the sector to engage. The arrival of the National Regulations and the National Quality Standard which, in effect, were far more significant were accompanied by far fewer resources attached and a significantly shorter time frame to respond. This undermined confidence in both the implementation and the system itself reinforced by constant tinkering with documentation at a jurisdictional level. This impacted significantly on how people engaged and moved forward and contributing to feelings of regulatory burden.

Recommendation:

- Increase the capability of service managers by targeting management, in addition to educational leadership and professional practice, as a critical skill required by the NQF.
- Support additional opportunities for professional development in this area and the attainment of management specific qualifications. Flexible opportunities for training/education be supported and respond to individual service needs.

Planning

A national approach to planning the number and type of services in areas should be developed to address demand and supply issues. A previous successful policy (1980's?) was to limit the number of approved services and funded places in areas where additional supply was not necessary. Additionally, information regarding areas of high demand was determined and distributed to encourage growth.

An approach such as this would require co-operation and co-ordination of all levels of government and regular engagement with the sector.

Recommendation:

- An intergovernmental approach and strategy be developed for ECEC planning regarding targeting effective supply.

Flexibility and Choice

Flexibility in the provision of ECEC is necessary to enable children to receive quality experiences in all circumstances. Every child needs to be valued equally no matter their situation or that of their families. It is good public policy to have an equitable system that provides for the nations future interests and benefits from the long term savings.

Through its members CCSA recognises that flexible service delivery costs more to deliver placing an additional burden on both providers and families. Services such as mobiles, occasional care, Multi-function Aboriginal Children's Services (MACS) and early intervention make a significant contribution to children's learning and development and assisting parents to participate in the workforce.

The government's 'Budget Based Funding' program supports a significant number of mobiles and Indigenous services. It recognises the commercial market will not be able to provide services to these families as they are economically unsustainable.

The objective of the BBF sub-program is to provide access to childcare in communities where mainstream or conventional childcare services are not available or viable⁹

These services are critical to the ECEC sector for children and workforce participation in areas of isolation and disadvantage. CCSA recognises Mobile Children's Services Association (MCSA) definition of isolation being correctly much broader than geographical location.

⁹ Australian National Audit Office, 2014

Some of these services have recently suffered a reduction in funding in real terms that inevitably will reduce the level of affordability for families, reduce the service provided (less quality or to fewer people) and affect service viability. These delivery types need to be enhanced so they can effectively deliver the outcomes for communities and increase their reach to more families and communities in the future.

Additional Needs Children

CCSA members regularly report their concern that the inclusion of children and families in these circumstances is not well supported. For inclusion to be effective staff need to be knowledgeable and gain experience about many different needs and have access to specific information and support to enable children's experiences to be positive. This contributes to early identification and intervention that produces better long-term outcomes for the child. Current funding arrangements do provide for this or the full cost of the time and additional effort staff need to apply to these situations.

Recommendation:

- Funding arrangements that support the inclusion of children with additional needs properly reflect the cost to enable these children to attend and have valuable learning and development experiences.

Workforce

To be effective in regard to both the governments objectives and sustainable, ECEC services need a stable and skillful workforce. Much improvement is needed in this area and the productivity commission's own work in this area supports this view.

CCSA's membership is concerned about recruiting, developing and retaining a quality workforce that enables them to operate healthy businesses with capable people working together with providers. A capable workforce in ECEC is dependent on it being attractive to prospective individuals viewing it as a profession rather than an industry and commensurate wages.

The current low levels of pay from university trained to introductory certificate level make it difficult to attract and retain capable people in the sector. This is reported by both not-for-profit and commercial members with a view that increased fees need to be supported by government to address affordability. CCSA members report difficulty delivering services effectively through an inability to recruit suitably qualified staff or access training providers with robust, flexible, on the job training at Diploma and certificate level. They report that staff with interest in university level training find cost a barrier. Members in rural areas find the most difficulty because of location and distance.

The ECEC sector would benefit from a consistent planned approach to upskilling staff, taking into account the particular needs of regional and remote providers. Though the cost of training and capacity building is higher in these areas providers and staff believe they should not be disadvantaged. They report less training and development opportunities in these regions with the answer frequently being it should occur electronically to overcome distance. Staff and providers in regional areas frequently report being less valued by this approach appreciating greatly the face-to-face opportunities that others in the sector enjoy. There is still a willingness to adopt technologies that support distance learning but regularly the cost is a barrier.

CCSA notes that the government plans to invest in sector training through the recently announced long day care professional development programme. CCSA supports some of this funding being used in a co-ordinated and targeted approach that responds to the needs of those in regional and remote areas.

Generally CCSA members report strong support for the NQF and the professionalising of the workforce but with it, significant and continuing annoyance over these expectations without professional wages and conditions. Employers and managers find this a continuing and disruptive issue.

Both providers and managers continually report the difficulty managers have in operating what is effectively a small business in such a regulated sector and in particular, managing people. Whilst there is generally a recognition of the importance of the requirements, the opportunities to develop the knowledge and skill in regard to –

- Governance & Management Responsibilities
- Financial Management
- Employment Responsibilities
- Legal responsibilities
- Workplace relations
- Professional practice
- Staff Recruitment
- Leadership & management
- Staff Development
- Business Planning
- Marketing and promotion
- Managing change

Both employers and managers indicate there should be more opportunities to develop and train in this area which would enable them to improve their business planning and operations.

Recommendation

- Increase funding to enhance availability and access, targeted to rural, isolated and indigenous communities.
- Increase support for development and implementation of e-learning and other forms of training/learning.

A government supported integrated approach to the development of capacity in the workforce has been shown to have positive outcomes in regional areas. An example is the Riverina area's (NSW) 'Early Childhood Workforce Capacity Project' commenced in 2009. The project was a collaboration between providers, training institutions and other regional organisations. DEEWR funded, it showed an integrated approach that responds to local issues can be effective.

Qualifications

The expectation of employing qualified staff, particularly university trained ECEC teachers, is an important part of improving outcomes for children, for engaging better with families and increasing trust and confidence in the system.

CCSA's experience is that where university trained ECEC teachers have been involved, the implementation of the NQF has been less challenging. Similarly, the more qualified and experienced staff are available and involved the less challenging the experience has been. That would suggest that increasing the number of qualified staff will have a similar effect across the system.

Although Certificate III is an introductory certificate, not a qualification, the requirement for Certificate III as an entry level qualification will have a positive effect through requiring a basic knowledge and skill about ECEC. These staff need to be supported and mentored by teachers and diplomas to be more capable of delivering quality experiences for children.

A significant problem in the sector is that some of the initial training delivered by some Registered Training Organisations (RTO's) is sub-standard with little assessment of their practices and verification of the competency of students. This will need to be addressed if services are to meet the basic level of service provision to enable them to operate a good business.

CCSA members have also indicated their concerns about teacher qualifications that are not early years specific (0-12). This relates to teachers being able to complete teacher training that includes the early years (0-5) and then take up positions in primary schools due to better pay and conditions. An exception to this is when primary positions are not available and teachers who have prepared themselves to work in schools enter the ECEC workforce with low level understandings of how to teach children under 5 years. There is frustration with the lack of appropriate university trained teachers available.

Recommendation:

- Universities are supported to provide ECEC specific teacher training.
- Students are supported to take up ECEC specific qualifications at university through such means as removing the HECS- HELP requirement.

Conclusion

The information and recommendations in this submission reflect the feedback of members and CCSA's 43 years supporting the management and operation of both for-profit and not-for-profit providers. CCSA considers itself fortunate to be able to understand and support 'both sides of the street' as well as a broad representation of delivery types with the sector.

We are confident there is much support for retaining and improving the NQF and work towards realising the social and economic benefits that it will provide. It is recognised that the NQF is still new but the major adjustment period of its implementation and the difficulty that presented is now past. CCSA acknowledges there is less concern from those providers who have already experienced assessment and rating.

There is support for the improved ratios and qualification requirements. There is general disappointment and frustration at the lack of available qualified staff and the financial and policy investment by government in the sector towards the remedies for this. There is also concern that the outcomes from the Productivity Commission's work in this inquiry is limited to being 'within the current funding envelope'. This seems to be at odds with the purpose and benefits of the NQF and the important objective of affordability. It may also impede the commission in its role to 'help the development of policies in the long term interest of the Australian Community'.