



## Inquiry into Childcare and Early Childhood Learning

### Introduction

YWCA Australia welcomes the opportunity to contribute to the Inquiry by the Productivity Commission into Childcare and Early Childhood Learning (Inquiry).

The UN Committee on the Elimination of Discrimination against Women, in its most recent report on Australia, urged the Australian Government to develop a comprehensive childcare policy, including out of school hours and vacation care, and to increase the supply of affordable and quality childcare places.<sup>1</sup> This Inquiry presents a valuable opportunity to examine the funding and delivery of child care and early childhood learning to ensure that an equitable and comprehensive childcare policy for children up to secondary school age is developed.

There are two critical aspects to childcare and early childhood learning: **optimising the development and wellbeing of children** to give them the best start in life, and **increasing women's workforce participation levels** to provide individual economic security and macroeconomic gains. We would also like to emphasise the importance of childcare being **inclusive** for children of all abilities and backgrounds.

### About YWCA Australia

YWCA Australia is the national association of YWCAs in Australia and is part of the World YWCA movement. We are a women-led organisation that achieves positive change by providing advocacy, programs and services for women, families and communities.

YWCAs undertake advocacy and deliver services and programs that develop the leadership and collective power of women and girls, support individuals, their families and communities at critical times, and promote gender equality and community strengthening.

This submission draws heavily on the experience of the YWCA of Canberra as a childcare provider. It also draws on the experience of YWCAs in delivering other early childhood services, parenting programs and community development programs, and our policy expertise relating to gender equality issues.

More information about YWCA services and programs relating to early childhood is provided at **Attachment A**.

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<sup>1</sup> Committee on the Elimination of Discrimination against Women 2013, *Concluding observations of the Committee on the Elimination of Discrimination against Women: Australia*, UN Doc CEDAW /C/AUS/CO/7, 30 July.

## Principles underpinning childcare and early childhood learning policy

YWCA believes childcare and early childhood learning policy should:

- Be comprehensive and developed with reference to the overall tax-transfer and support systems (including factors such as effective marginal tax rates, welfare entitlements, Family Tax Benefits, paid parental leave schemes and flexible working conditions).
- Maximise children's learning, development, wellbeing and life opportunities, which requires inclusive and age-appropriate early childhood learning services of a high quality.
- Support both women and men with their caring responsibilities and their workforce participation, enabling a more equitable split of caring responsibilities. YWCA Australia recognises the diverse range a family structures in Australia and embraces a broad definition of primary care givers including grandparents and kinship relationships.
- Maximise economic and social outcomes including increasing the lifetime economic and financial security of women and increasing the size of the Australian economy by lifting women's workforce participation rates.
- Address the needs of low income earners and families experiencing disadvantage, who may need more targeted support.
- Properly value and remunerate the critical work of childcare and early childhood learning service professionals, who are predominately women, to reduce the gender wage gap and prevent economic inequalities later in life, and to assist with retention of professional staff in the childcare and early childhood learning services sector.
- Be financially sustainability, with regard to the security, viability and efficiency of funding arrangements for individual childcare providers and for the childcare system overall.

The provision of childcare and early childhood learning services is a critical piece of social infrastructure which, if we get it right, will have profound economic and social benefits. Like all infrastructure projects, a significant investment of resources is required.

## Recommendations

### YWCA Australia recommends:

- Reviewing and enhancing Australian Government childcare support, with additional targeted support for families experiencing disadvantage.
- Removing disincentives for women to enter the paid workforce by altering access to Family Tax Benefit and Childcare Benefit and Rebate so that the second income earner in a family, usually a woman, takes home more income after tax, welfare and childcare costs.
- That the Commission refers to the best practice strategies for building an inclusive workplace outlined in the Male Champions of Change *Listening, Learning, Leading* report.

- That the Commission investigates the gender stereotype aspects of the Swedish pre-school curriculum.
- Expanding the delivery of OSHC and vacation programs, including age appropriate options for older children with additional needs.
- Providing support for and replicating the YWCA of Canberra's flexible Family Day Care (FDC) model.
- Providing free or almost free childcare for any child with a disability, children in jobless families, or children at risk or known to child protection services.
- Maintaining the National Quality Framework (NQF), subject to minor adjustments.
- Determining funding for children with additional or high support needs on an individual basis and dependent on the level of care required.
- Addressing the need for specific school holidays programs for children with additional or high support needs as well as appropriate before and after school care for secondary school students with additional or high support needs.
- Additional Australian Government funding to increase the salaries of early childhood educators across long day care, family day care and school age care.
- Paying childcare support directly to ECEC services.
- That if childcare support is paid directly to parents, the Australian Tax Office (ATO) requires a nil balance statement from the ECEC service/s before processing tax refunds for relevant individuals.
- That if childcare support is paid directly to parents, the ATO allows the ECEC service/s to claim any outstanding debt/s before a tax refund is issued.

## 1. Government involvement in childcare and early childhood learning

In our view, the Australian Government has a clear role to play in early childhood education.

We agree that in the absence of some government involvement, the market may not deliver early childhood education and care (ECEC) in a manner and to the standards that meets the community's needs, particularly the needs of disadvantaged communities. The dangers of a largely privatised model of childcare was demonstrated by the late-2008 financial collapse of ABC Learning Centres, which previously held a 25 per cent stake in Australia's childcare sector.

## 2. Demand for and expectations of childcare and early childhood learning services

We discuss the demand for more flexible childcare and early childhood learning services to account for changing work patterns, including shift work, casual and short-term contract work under “Flexibility of childcare and early childhood learning services” below.

There has been some suggestion that the commitment by state and territories to provide universal access to 15 hours of early childhood education may reduce demand for childcare places. In fact, combining work with preschool programs can often pose additional logistical challenges for families:

*My son will be of preschool age next year, however preschool is only offered 2.5 days per week and is not full days. This means that I either need to pay for a duplicate childcare service for the remainder of the day (and leave work mid-day to transport my son from preschool to daycare) or further reduce my hours to work short days. I anticipate that either option will negatively impact on my career and financial position (YWCA survey respondent).*

### Impacts on workforce participation

Lack of appropriate childcare is still a significant barrier to women’s workforce participation.

In a recent YWCA survey relating to the Australian Human Rights Commission’s *Pregnancy and Return to Work National Review*<sup>2</sup>, we asked YWCA members, supporters and staff how important childcare is in facilitating return to work after parental leave and in allowing individuals to continue to work. The responses included:

- *Vital.*
- *Absolutely necessary.*
- *Crucial. I have no familial support and no close friends who are able to assist with childcare.*
- *I was unable to secure a place ... My workplace would not be flexible with my return date to allow me a short extension to find another place so I ended up being forced to resign from the workplace.*
- *... but mostly the cost [of childcare] outweighs the wage making it hard for women to justify working fulltime only to be better off by \$100 at the end of a full week after childcare expenses are deducted.*
- *Childcare and the Childcare Benefit and Rebate are crucial to my ability to return to work.*
- *Without quality Childcare I cannot work, having said that, I can't afford to have my kids in Childcare to work, I'm spending almost half my fortnightly wage on Childcare and OSHC [out of school hours care] fees.*

When women participate equally in the workforce and labour market the macroeconomic gains are significant.<sup>3</sup> We note the Grattan Institute’s finding that:

*If Australian women did as much paid work as women in Canada – implying an extra 6 per cent of women in the workforce — Australia’s GDP would be about \$25 billion higher. On both Productivity Commission and Grattan Institute calculations, such increases in female workforce participation and economic productivity are feasible in Australia.<sup>117</sup> There would*

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<sup>2</sup> Our submission to the National Review is available <http://www.ywca.org.au/advocacy/our-policy-work>.

<sup>3</sup> K. Elborgh-Woytek, M. Newiak, K. Kochhar, S. Fabrizio, K. Kpodar, P. Wingender, B. Clements and G. Schwartz 2013, *Women, Work and the Economy: Macroeconomic Gains from Gender Equity*, IMF Staff Discussion Note, Washington.

also be substantial benefits to government budgets as the number of income tax payers increased.<sup>4</sup>

A 2009 report from Goldman Sachs JB Were also estimated that Australia's GDP can be boosted by 11 per cent if the gap between male and female rates of employment participation is closed.<sup>5</sup>

A recent report to the Council of Australian Governments (COAG) examining gender equity outcomes in Australia found:

- Although women's labour force participation has increased over the last three decades, since 2008 it has levelled at about 70 per cent nationally, with a gender gap of 12.1 per cent.<sup>6</sup>
- Mothers typically provide the majority of primary care for their children. Around one in five women who were not in the labour force were caring for children. Childcare options can significantly affect whether the secondary earner in a family has the opportunity to participate in work.<sup>7</sup>
- Women are more than twice as likely to work part-time.<sup>8</sup>

The COAG report also found that the combination of lower pay and lower workforce participation means women are retiring with an average of 36 per cent less superannuation than men.<sup>9</sup> The substantial impact of this on women's economic security and future government budgets must also be taken into account.

We agree that the way the tax, welfare and childcare supports interact with the cost of childcare, as opposed to the childcare costs alone, creates a strong disincentive for women with children to undertake paid work. We note the Grattan Institute report referred to above which found that the interaction of the different elements can mean that a second earner, usually a woman, is **financially worse off** by returning to work.<sup>10</sup> This situation clearly needs to change. We also refer the Commission to the submission to this Inquiry by the National Foundation for Australian Women that has an excellent discussion of the interaction of policies relating to women's workforce attachment.

### Maintaining subsidies

We note the Mission Australia survey finding that the workforce participation of Australian mothers will reduce if childcare subsidies are reduced. **It is of particular concern that those in the most disadvantaged communities would be the worst affected, with one third of women saying they would have to give up their jobs if subsidies were reduced.** As well as severing workforce attachment, this means that their children would miss out on important early childhood learning programs. We commend the Mission Australia submission to the Commission.<sup>11</sup>

Similarly, the Australian Industry Group supports improved access to affordable childcare, warning against means testing the child-care rebate because the rebate is an effective incentive for parents and carers to participate in the workforce.<sup>12</sup>

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<sup>4</sup> Grattan Institute 2012, *Game-changers: Economic reform priorities for Australia*, p.39.

<sup>5</sup> Goldman Sachs JB Were 2009, *Australia's Hidden Resource: The Economic Case for Increasing Female Participation*, p.2.

<sup>6</sup> COAG Reform Council 2013, *Tracking equity: Comparing outcomes for women and girls across Australia: Report to the Council of Australian governments*, 21 October, p.27.

<sup>7</sup> As above, p. 32.

<sup>8</sup> As above, p. 28.

<sup>9</sup> As above, p. 7.

<sup>10</sup> Grattan Institute, as above, p.38.

<sup>11</sup> Mission Australia 2014, *Submission to the Productivity Commission Inquiry into Child Care and Early Childhood Learning*.

<sup>12</sup> Ai Group 2014, *Submission to the Inquiry into Child Care and Early Childhood Learning*.

## Recommendation

- Review and enhance Australian Government childcare subsidies, with additional targeted support for families experiencing disadvantage.

## Building supportive workplace cultures

Increasing the workplace participation of women also involves ensuring best-practice workplace cultures and practices that support both men and women to balance their caring and paid work responsibilities, including well-designed flexible work practices that do not lead to „career death“.

In the recent report by the Male Champions of Change, the group said:

*Traditionally, the most common route to professional success has not included career breaks and visible caring responsibilities. Many women's career trajectories plateau following parental leave events – people often assume women are more interested in a job, rather than a career. Jobs and career paths need to be redesigned with consideration to people with caring and career responsibilities, or the 'double burden.'*

*The Australian context, including childcare, transport options, travel distances and societal norms, make the 'double burden' even heavier. But there is a generational shift underway, with men wanting a greater role in caring. We need to support this for true gender balance.*<sup>13</sup>

### Swedish pre-school example

Sweden has long been considered a pioneering country regarding gender equity.

It is interesting to note that Swedish pre-schools, available for children aged 12 months to five years, have their own comprehensive curriculum. One of the clearly stated objectives of this curriculum is to counter gender stereotypes<sup>14</sup> to bring about attitudinal change.

Techniques used in Swedish preschools to challenge gender stereotypes include:

- Removing gender specific toys and using gender neutral toys
- Inviting women and men who have jobs not usually associated with their gender to speak to the children about their work, such as female pilots.
- Swapping genders when reading stories, e.g. the beautiful prince is saved by the brave princess
- Making a point of communicating with fathers as well as mothers, addressing the stereotypical view that childcare is mostly or solely the mother's responsibility.<sup>15</sup>

We commend the Swedish pre-school models to the Commission and recommend that Swedish pre-school system is examined.

## Recommendations:

- Remove disincentives for women to enter the paid workforce by altering access to Family Tax Benefit and Childcare Benefit and Rebate so that the second income earner in a family, usually a woman, takes home more income after tax, welfare and childcare costs.<sup>16</sup>

<sup>13</sup> Male Champions of Change 2013, *Accelerating the advancement of women in leadership: Listening, Learning, Leading*, p.33.

<sup>14</sup> Bayne, E *Gender Pedagogy in Swedish Pre-Schools: An Overview*; 2009

<sup>15</sup> As above.

<sup>16</sup> Adapted from Grattan Institute, as above, p.38.

- That the best practice strategies for building an inclusive workplace outlined in the Male Champions of Change *Listening, Learning, Leading* report be referred to in the Productivity Commission's report.
- That the Commission investigate the gender stereotype aspects of the Swedish pre-school curriculum.

### 3. Availability and cost of childcare and early childhood learning

#### A missing link: Out of school hours and vacation care

*Its difficult finding after school care and vacation care [and] very expensive about \$80 day in my area (YWCA survey respondent).*

Parents who need childcare for young infants and pre-school children in order to maintain their workforce attachment will continue to need affordable and accessible out of school hours (OSHC) and vacation care for their school age children. To develop a comprehensive childcare and early childhood learning system, we need to dramatically boost the availability of OSHC and vacation care.

According to the Male Champions of Change:

*Some [employees] say that current childcare options make continuous employment almost impossible. Many parents say they can manage the day-to-day juggle, but reconciling 12 weeks of school holidays per year with four weeks of annual leave forces many – often women – out of the workforce, or to reduced roles.*

*An aspiration we share with many is that parents have access to quality, affordable and flexible childcare choices – from early years to secondary school. But we know this is far from the reality.*

*This issue is more complex, multi-faceted and multisectoral than we imagined. Interventions for childcare such as onsite centres and flexible working arrangements go some way to helping employees. However, the full spectrum of childhood must be addressed – before and after school and during school holidays.<sup>17</sup>*

It is important that OSHC and vacation care is **age-appropriate**. The experience of young people who require supervised care after school, due to their additional needs, is an issue that is growing in significance and importance. The YWCA of Canberra has a number of young people with additional needs, including children as old as 15, who are currently accessing programs designed for much younger children in primary school settings because there is nowhere else for them to go. These settings are inappropriate for the children themselves, create unfair expectations on staff and create a range of challenges in the management of all children within programs. **The provision of age-appropriate school age care programs for these older children with additional needs is an issue that requires urgent action.**

#### Recommendation:

- Expand the delivery of OSHC and vacation programs, including age appropriate options for older children with additional needs.

<sup>17</sup> Male Champions of Change, as above, p. 36.

## Flexibility of childcare and early childhood learning services

There is clearly a need for more flexible models of childcare that go beyond the current model of 9 to 5 childcare. We know from experience delivering childcare services that casual and shift workers struggle often with current models because the timing of their shifts, inconsistent rosters and having to work overtime, often without notice. Lack of flexibility impacts particularly on women engaged in lower-paid casual work and acts as a significant barrier to workforce participation.

### *YWCA of Canberra flexible model*

Since 1978, the YWCA of Canberra has been operating a particular model of Family Day Care (**FDC**) that provides significant flexibility for parents. **The scheme currently offers flexible care according to families' needs including part-time, full-time, casual, occasional, emergency, before and after school, school holidays and extended hours.** Additional benefits include qualified educators operating under the National Quality Framework (NQF) and smaller groups of mixed ages and diverse cultural backgrounds.

The Family Day Care (FDC) scheme is a community based, quality childcare service that offers care for children up to 12 years of age in the private homes of qualified educators. The YWCA of Canberra has been providing this model of care since 1978 and acknowledges that its popularity ebbs and flows. **Currently it is a very popular alternative to long day care or other forms of centre based care.** Each educator can have up to four children between zero and five years of age and three school age children between five and 12 years of age before and after school and during school holidays.

The YWCA of Canberra currently employs around 50 educators on full terms and conditions of employment (as opposed to sub-contracting). Approximately 70 per cent of our current educators are from a culturally and linguistically diverse (CALD) background. The YWCA of Canberra is extremely proud to be able to offer these educators, who would otherwise struggle to find employment in the community, employment, training and ongoing professional development. This also has the added benefit of providing choice to parents to place their child in an environment and culture that is familiar to them or, indeed, expose them to a new culture.

The educators are supported by a coordination unit and an administration manager. The coordination unit comprises staff that hold, as a minimum, a Diploma in Children's Services and sound experience in ECEC. The coordination unit regularly visit the educators to ensure quality programming and child safety. They also support the educators by providing advice and assistance with programming and on professional development and training, as required under the NQF. All mandatory training is arranged by the coordination unit at a time suitable for the educators to attend. The coordination unit also introduces educators and families, although whether care proceeds is up to the educators and families to mutually decide. The administration manager ensures all fees are collected from families and educators are paid fortnightly. The coordination unit actions all enquiries and bookings leaving the educators to concentrate solely on providing quality education and care for the children.

The YWCA of Canberra is only one of five schemes operating nationally that employ their educators on full terms and conditions. We are committed to ensuring that FDC educators' entitlements such as long service, personal, annual and parental leave are enshrined and that educators are protected by insurance coverage for public liability and workers compensation.

In an effort to make our FDC scheme more flexible, the YWCA of Canberra has recently been exploring the possibility of offering care in the children's own home as well as in the educator's home. This model has also been trialled in the past by other organisations and the overall consensus was that it failed. There were a number of reasons for this including:

- Eligibility: In the past to be eligible for government funding for care in the home you had to meet very stringent and specific criteria e.g. mental or physical disability, children at risk or a multiple birth situation.

- Clients did not view it as a serious option for childcare.
- Quality of care may not have compared favourably to long day care, for example.
- The model of care was not well promoted in the community.
- Organisations were unable to guarantee sufficient work for employees or sub contractors and, therefore, were unable to retain staff.

The YWCA of Canberra believes that these reasons can be addressed and that this flexible model of FDC can be successful. We envisage the proposed model of care within the children's home operating side by side with the YWCA of Canberra's current model of care within the educator's home, so therefore operating under the NQF principles and guidelines. It would be the YWCA of Canberra's responsibility to ensure the proposed environment was fit for purpose i.e. that it provides support for children to be confident learners and communicators and ensures a sense of security. The YWCA of Canberra proposes to employ educators for this in-home model of care and education on full terms and conditions, similar to our current educators.

The YWCA of Canberra receives many expressions of interest from people who would like to be an FDC educator. Many of these people live in rental properties and it is extremely difficult to get approval from the landlord to provide care in their home. Even when approval is given, landlords are often unwilling or unable to ensure that the property meets standards of care for children. Other interested people would not, without considerable expense, be able to adapt their own home to meet current standards of care. Providing care within the child's home would enable people in these circumstances to enter the workforce and become FDC educators.

### Recommendation

- Provide support for and replicate the YWCA of Canberra's flexible Family Day Care (FDC) model.

### Services for additional needs and regional and remote areas

Children with additional needs and those in regional and remote areas can have difficulty in accessing appropriate ECEC services, which can potentially entrench disadvantage from an early age.

#### *Inclusive Childcare: Children with a disability or other medical needs*

Of the 261,203 children in their first year of full-time school in Australia, 11,486 or 4.4% were given „special needs status“ because of chronic physical, intellectual and medical needs. 22% of Australian children are developmentally vulnerable in one or more of the Australian Early Development Index domains when they enter school.<sup>18</sup>

As part of its school age care program, the YWCA of Canberra takes the responsibility of providing accessible services very seriously. They are proud to say that the majority of their school age care programs support children with special needs, ranging from autism spectrum disorder to physical and mental disabilities. To ensure its programs are inclusive, the YWCA of Canberra needs to employ **staff with special skills and training, and recruitment of such staff is challenging**. This shortage is compounded by the increased demand for specialised services. The YWCA of Canberra has witnessed a significant increase in the number of children with additional needs attending school age care programs. Therefore, support for existing staff to access expensive specialist training is a significant need within our service as well as across the sector.

<sup>18</sup> Australian Government 2013, *A Snapshot of Early Childhood Development in Australia 2012 – AEDI National Report*, Australian Government, Canberra, p.iv.

The care of children with additional needs sometimes requires a 1:1 staff ratio. The YWCA of Canberra accesses financial support from the National Inclusion Support Subsidy Provider, KU Children's Services, to enable it to deliver this service for ACT families. There is, however, a significant gap between the actual cost of this care (\$21.42/hour) and the subsidy provided (\$16.94/hour), which means that the YWCA of Canberra is making a significant financial contribution which is not recognised by governments at either a local or federal level. There is also a lack of funding for additional resources for children with special needs such as hand-held sensory toys, books and movies for parents, educators and other students and tablets. There is a high level of anecdotal evidence that for-profit childcare centres discriminate against children with disabilities because of extra resources involved in caring for these children.

### *Disadvantaged families*

According to Mission Australia:

*Families [with disadvantaged and vulnerable children] are often underrepresented in using ECEC, as are those on low incomes, sole parents, Indigenous families, those experiencing homelessness and or unstable housing, those with a disability, mental or physical health issues or those who have been in contact with child protection services. There is also evidence to suggest that while children and families from these groups may access services, their retention rate is poor.<sup>19</sup>*

We agree with Mission Australia<sup>20</sup> (p.29) that „[i]n addition to universal access to early education, additional resources need to be allocated to go into ensuring the most disadvantaged children attend childcare and benefit from early education. We endorse Mission Australia's recommendation that providing „free or almost free childcare for any child with a disability, children in jobless families, or children at risk or known to child protection as seen in the UK model<sup>21</sup> is a means of ensuring positive outcomes for children from these groups.

We also recognise that collaboration between services, or integrated service models, are increasingly important to policy and practice as a basis for delivering more effective services for children and young people.

### **Recommendation**

- Provide free or almost free childcare for any child with a disability, children in jobless families, or children at risk or known to child protection services.

## 4. Government regulation of childcare and early childhood learning

### **Workforce issues and the effects of the National Quality Framework**

YWCA Australia strongly supports the continued roll-out of the National Quality Framework (NQF).

<sup>19</sup> Mission Australia submission, p. 29

<sup>20</sup> Mission Australia submission, p.29.

<sup>21</sup> As above.

Research<sup>22</sup> into early child development has demonstrated the importance of the first five years of a child's life. Australia is committed to a high quality education system and, to ensure this is achieved, there must be a stronger focus on quality early childhood learning experiences, particularly in the first five years of a child's life. The NQF has, for the first time in Australia, provided a national standard for quality ECEC. Quality ECEC not only benefits children's cognitive, physical and social development but also improves school readiness.<sup>23</sup> With 22% of Australian children developmentally vulnerable in one or more of the Australian Early Development Index domains when they enter school,<sup>24</sup> the importance of quality ECEC, and therefore the NQF, cannot be overstated.

The development and implementation of the Early Years Learning Framework, as part of the NQF, has provided YWCA of Canberra's educators with a learning framework based on research, theory and practice that guides all educators, regardless of qualification and experience, to plan and implement learning activities and educational experiences that benefit children. In the ECEC context, education is "all the interactions, experiences, activities, routines and events, planned and unplanned that occur."<sup>25</sup> It is about the holistic development of children, catering not only for their cognitive and intellectual development but providing for their social, emotional, physical and mental wellbeing. Traditional forms of education or formal teaching methods are avoided in favour of more developmentally and age appropriate practices such as learning through play and social interaction.

For the YWCA of Canberra, the learning framework, combined with increased educator knowledge through qualifications requirements, has resulted in a curriculum that is rich in quality interactions, strong relationships and considered and responsive teaching practices. Anecdotally, since the implementation of the NQF, educators have observed an increase in children's engagement with programmed activities and experiences; improved emotional literacy skills of our pre-school and toddler children; and a greater sense well-being for the children within our long day care services.

Prior to the NQF, school age care did not have a curriculum for educating children in an out of school hours setting. This is important because the majority of primary schools in the ACT provide school age care. The *My Time, Our Place* curriculum not only ensures children are continually developing and learning through play and programmed experiences, it also allows and encourages spontaneous play, rest and relaxation, which is exactly what children need and want after a day at school.

Prior to the implementation of the NQF, each state and territory had an individual set of regulations and requirements for service providers and educators. Ratios, qualifications, licensing and compliance procedures differed between states and territories and, with the exception of the National Childcare Accreditation Council, there was little consistency between ECEC providers across Australia. The NQF has centralised the ECEC system through the Australian Children's Education and Care Quality Authority (ACECQA), providing consistency for service providers, educators, children and families. In a sector where continuity and consistency are paramount, these changes were needed and welcomed.

For many years, educators and service providers have known that lower educator to child ratios are linked with improved social, emotional, cognitive and mental health outcomes for children, particularly

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<sup>22</sup> Baxter, Jennifer & Hand, Kelly 2013, *Access to early childhood education in Australia*, Australian Institute of Family Studies, Research Report No. 24, p.1; Laughlin, Alan & Wasson, Lindsay 2005, *Report of the consultation on future directions for public education and training – "One size doesn't fit all"*, New South Wales Department of Education and Training, November, p.21; 'Literature Review Component 2: Developing children's social and emotional skills' 2012, KidsMatter Early Childhood Australian Mental Health Initiative website, August <http://www.kidsmatter.edu.au/> – Accessed 31 January 2014, pp.7-8.

<sup>23</sup> Baxter, Jennifer & Hand, Kelly 2013, *Access to early childhood education in Australia*, Australian Institute of Family Studies, Research Report No. 24, p.2; Rosier, Kate & McDonald, Myfanwy 2011, *Promoting positive education and care transitions for children*, Communities and Families Clearinghouse Australia Resource Sheet, November, pp.3-4; Tansey, Sonja 2008, 'Factsheet: School readiness and transition to school', National Childcare Accreditation Council Inc. [http://ncac.acecqa.gov.au/educator-resources/factsheets/qias\\_factsheet\\_13\\_school\\_transition.pdf](http://ncac.acecqa.gov.au/educator-resources/factsheets/qias_factsheet_13_school_transition.pdf) – Accessed 31 January 2014.

<sup>24</sup> Australian Government 2013, *A Snapshot of Early Childhood Development in Australia 2012 – AEDI National Report*, Australian Government, Canberra, p.12.

<sup>25</sup> Department of Education, Employment and Workplace Relations 2009, *Belonging, Being and Becoming: The Early Years Learning Framework for Australia*, Produced for the Council of Australian Governments (COAG).

for infants under two years. Lower educator to child ratios allow for more flexible and individual care routines, increased responsiveness, opportunities to observe, document and plan for children's learning as well as improved educator retention rates, due to fewer instances of staff burn-out. Overall, the lower educator to child ratios, implemented under the NQF, have allowed for increased interactions with individual children, providing for more positive and responsive relationships with children and promoting more secure and respectful attachments for infants. The Australian Association for Infant Mental Health recognises the importance of more frequent and positive educator to child interactions in the ECEC setting, linking secure attachment to lower cortisol levels in young children, improving their cognitive and social/emotional development.<sup>26</sup>

Since its beginnings in 2008, the development and implementation of NQF, including the development of the National Quality Standard (NQS) and the Early Years Learning Framework, was an open and consultative process for educators and service providers. The ECEC sector is large and diverse so time, support and planning was necessary for an effective and smooth transition. For ECEC providers that were proactive and responsive, like the YWCA of Canberra, this transition was managed with minimal stress and financial impact. The YWCA of Canberra was well placed to meet qualification and ratio changes that the NQF required.

In the ACT, the staff to child ratios for long day care, family day care and school age care were already lower than other states and territories and the staged implementation allowed the YWCA of Canberra to increase the number of educators over a number of financial years reducing the financial impact. The YWCA of Canberra is a Registered Training Organisation and offers a range of nationally recognised training courses including Certificate III and Diploma in Children's Services. All new educators are employed as trainees to ensure that the YWCA of Canberra will meet NQF qualification standards by 2014. The YWCA of Canberra also utilised initiatives and schemes, such as the Early Childhood Scholarship Program funded by the ACT's Education and Training Directorate's Children's Policy and Regulation Unit, to allow educators who were ineligible for a traineeship to complete their Certificate III in Children's Services.

At the YWCA of Canberra, implementation of the NQF started early and processes were trialed to determine best practice. Numerous resources were provided through ACECQA and the government bodies to prepare educators, programs and families for the implementation of the NQF. Many educators also attended, and still attend, regular training and information sessions on the NQF, Early Years Learning Framework and My Time, Our Place. Quality improvement plans allow services to set goals for our programs, in consultation with the children, families and educators, and continually monitor and improve these goals. Working within the NQF, we now have more regular and quality documentation available for families about their children.

Being able to develop working relationships with the Authorised Officer responsible for compliance has been a positive and valuable experience. Developing these relationships has assisted services to better understand and implement the changes to national law and regulations and has helped to ease some of the pressure and stress educators felt when faced with the old accreditation system. The assessment and rating process is much less intimidating than the previous licensing process with the focus now on children, families and educators; what is happening within the program; and how the program fits within its community rather than just ticking boxes.

The YWCA of Canberra supports the NQF, in principle, while noting that there are areas which would benefit from review, following feedback about implementation from service providers, including the following:

- With relation to the qualification requirements, the YWCA of Canberra recognises the need for a specific ratio of qualified staff to children but notes that some of our casual staff are studying other forms of education, such as primary, and would not be considered qualified although their work practices and knowledge form an integral part of the service. In respect of school age care, it is very difficult to have a team of qualified educators, mainly due to the limited hours of operation and the high turn-over of casual staff.

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<sup>26</sup> Australian Association for Infant Mental Health 2013, *Position Paper 4: Child care*, October.

- Supervisor Certificates require reviewing as it seems that anyone can obtain one but this position does not allow them to be considered a qualified educator.
- The position of a nominated supervisor remains unclear and there are questions as to whether it is needed.
- Educational leaders have been implemented in all programs under the NQF; however, there are no clear guidelines as to what this role entails. In some organisations they have one educational leader for a number of programs while other organisations have individual educational leaders for each program, usually the program director. This role needs to be reviewed, particularly around the rules of who can be an educational leader.

### Recommendation

- Maintain the National Quality Framework (NQF), subject to minor adjustments.

### Early childhood care and education pay issues

Delivering quality ECEC is resource-intensive, with the main cost being staff. Service providers are well aware of the difficulties around recruiting and retaining quality staff on current pay levels. The YWCA of Canberra already pays above the award to attract and retain staff due to competition with the Australian Public Service. Anecdotally, the sector has always been identified as one of the lowest paid in Australia. Despite mandatory minimum qualifications, pay rates do not compare favourably to other professions. We cannot compete with the hospitality or retail sectors, who pay similar wages, but do not require a qualification.

Service providers, such as the YWCA of Canberra, recruit educators and provide ongoing training and professional development but educators leave the sector, due to low wages, when they want to have children or buy a home.<sup>27</sup> We find ourselves, therefore, in a constant cycle of recruiting/training, at significant cost to the organisation. This is unsustainable for childcare providers, whether for profit or not for profit. To ensure quality care and staff retention, pay and conditions need to be on par with similarly qualified professions and provide a living wage.

Adequate pay levels cannot be achieved by continuing to place the burden on parents to pay higher fees. If the community continues to demand quality ECEC for children, as indeed we should, some hard decisions need to be made as to how this will be funded. If the purpose of ECEC is to prepare children for school then wages need to reflect this. There is little doubt that this issue must be addressed.

In 2013 the United Voice Union, the principal union representing the ECEC sector, continued their Big Steps campaign and accepted a pledge from the then Labor Government of \$350 million over a two year period to significantly increase the salaries of early childhood educators. The YWCA of Canberra felt unable to support this initiative as the funding only applied to long day care. This precluded two thirds of the YWCA of Canberra's Children's Services workforce, also comprising family day care and school age care, and was therefore unsupportable from the YWCA of Canberra's perspective. **YWCA Australia advocates for pay equity across long day care, family day care and school age care.**

<sup>27</sup> For more information see Barns A., Ferracioli L., WomenSpeak & Women in Social & Economic Research (WiSER) Curtin University of Technology, *Young Women in Low Paid Employment: Issues and experiences within the context of the 'Fair Work' agenda*, 2010.

### Recommendation

- Additional Australian Government funding to increase the salaries of early childhood educators across long day care, family day care and school age care.

## 5. Government support for childcare and early childhood learning

### Questions specifically for service providers

**Is it confusing and/or costly to deal with the large number of programs and agencies administering ECEC support? Is there overlap, duplication, inconsistency or other inefficiencies created by the interaction of programs?**

The Child Care Management System (CCMS) is a national online computer system which all approved childcare services are required to operate. The YWCA of Canberra uses CCMS to administer the Child Care Benefit (CCB) and Child Care Rebate (CCR). The delivery of the Inclusion Support Subsidy (ISS) has improved since its inclusion in the CCMS. The provision of Jobs, Education and Training (JET) Child Care Fee Assistance continues to confuse clients. The Department of Human Services, the Department of Education and ECEC services are all involved in its coordination and administration. As a result of the three processes, there is often a delay between when an individual needs to utilise JET and when approval is granted.

**Should support be paid directly to parents, direct to ECEC services or some combination of these?**

We recommend that all support should be paid directly to ECEC services so it is used for the purpose intended and the services provided. When money is paid directly to parents, it is not always, or immediately, used to pay for childcare. If an invoice for childcare is received at the same time as an electricity bill or when groceries are needed, it is understandable that the money is not always used for its intended purpose. The YWCA of Canberra has a strong but ethical debt recovery process, with payment plans and offering parents every opportunity to pay. However, it is better for parents and the YWCA of Canberra, as a business, if the debt does not incur in the first place. Direct payment to the ECEC services would stop parents falling into arrears and allow the business to continue to be viable. Such a mechanism would allow the YWCA of Canberra's Children's Services to focus on facilitating economic empowerment, particularly for women, rather than having to act as debt collectors.

If support is paid directly to parents then proof of payment to the ECEC service must be required. We recommend that tax refunds should not be processed by the Australian Tax Office (ATO) until a nil balance statement from the ECEC service is provided. The ECEC service should be entitled to claim any outstanding debt before a tax refund is issued. Child care expenses may need to be tax deductible, as in other countries, although consideration of this question is beyond the scope of this submission.

### Recommendations

- That childcare support is paid directly to ECEC services.

- That if childcare support is paid directly to parents, the ATO requires a nil balance statement from the ECEC service/s before processing tax refunds for relevant individuals.
- That if childcare support is paid directly to parents, the ATO allows the ECEC service/s to claim any outstanding debt/s before a tax refund is issued.

**Is support appropriately targeted? If not, how could it be better targeted?**

Funding for children with additional or high support needs should be determined on an individual basis and dependent on the level of care required. At present, there must be ten able bodied children for every child with additional or high support needs, unless additional staff are provided. This is not always the case, in practice, and puts significant pressure on parents of children with additional or high support needs. It also puts pressure on ECEC services whose staff are not always properly trained or experienced in caring for children with additional or high support needs. Individual funding would allow ECEC services to be responsive to children with additional or high support needs.

There is also a need for specific school holidays programs for children with additional or high support needs, run by qualified educators as well as appropriate before and after school care for secondary school students with additional or high support needs.

**Recommendations**

- That funding for children with additional or high support needs should be determined on an individual basis and dependent on the level of care required.
- That the need for specific school holidays programs for children with additional or high support needs as well as appropriate before and after school care for secondary school students with additional or high support needs is addressed.

**More information**

YWCA Australia would be pleased to provide further information to the Commission.

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**Attachments**

- **Attachment A:** A snapshot of relevant YWCA programs and services

## Attachment A:

### A snapshot of relevant YWCA programs and services

**YWCA of Adelaide** advocates for a pilot program to be funded to trial a training program for child care staff in gender related issues to create more gender equitable attitudes and behaviours in early childhood settings with a view to long term attitudinal and cultural change.

**YWCA of Broken Hill** provides an after school program targeting girls, providing activity-based learning and community engagement opportunities.

**YWCA of Canberra** (with whom the Commission has already met): The Children Services Portfolio is the area of the organisation that provides community based childcare services to members of the Canberra community. This portfolio is predominately funded through parent's fees, and provides services in the area of:

- Long Day Care Centre for children aged six weeks to eight years (Campbell Cottage: 68 places and Conder: 47 places).
- School Age Care Programs in 12 schools across Canberra including before and after school care and school holiday programs.
- Family Day Care for children aged zero to 12 years.

The YWCA of Canberra has a range of other relevant programs and services including:

- *Breaking the Cycle* which aims to mitigate the adverse effects of homelessness on children.
- *Child, Youth and Family Gateway Service*, an entry point for vulnerable children, young people and their families to access support services in the Canberra region.
- *Circles of Support*, a counselling service for children and young people aged 8 to 15 years, and their families.
- *STEPS*, an early intervention program for young pregnant and parenting women that aims to help improve the overall health and well-being of participants and their children.
- *Mura Lanyon Youth and Community Centre, Youth Connections, and Youth Engagement.*

**YWCA of Darwin** delivers parenting programs including SHEIRA (a support group for mothers up to the age of 25 years and their children), a breakfast club for young and/or pregnant parents up to the age of 25 years and their children, a parenting resource library and strengths-based parenting support programs. The YWCA of Darwin also works with women and their children in its *Domestic and Family Violence Centre* in Palmerston.

**YWCA Hunter Region** offers vacation care program through each school holiday break –two weeks each break and three weeks in the January school holidays. The program offers affordable and fun holiday programs for the children of parents living or working in the inner city region. The YWCA is funded by the Australian Government with parents eligible for the Government's Child Care Rebates and the Child Care Benefit.

**YWCA NSW** is engaged by the Australian Government as the facilitating partner for the *Communities for Children* initiative using a community development approach for both Lismore and Murwillumbah in northern NSW. Communities for Children provides support for local communities to develop early childhood initiatives. This project focuses on supporting the health and early development needs of young children aged 0-12 years, supporting parents and building child-friendly communities. YWCA

NSW also delivers a range of parenting programs including *Books 4 Bubs*, *Mum Dad Baby*, *Futures for Families* and *Supported Playgroups* and works with homeless young women who are pregnant, have children or are working on the restoration of their children through their *Young Women's Intermediate Supported Accommodation* service. YWCA NSW also supports women and their children in its Domestic Violence Support Services in the Shoalhaven region and *Domestic Violence Intervention Service* in Nowra.

**YWCA Victoria**, in partnership with Adult Migrant Education Services (AMES), assists newly arrived immigrant and refugee families find suitable childcare while they attend English language classes. Every term, YWCA Victoria receives approximately 800 requests for childcare from AMES language centres. YWCA Victoria contacts the newly arrived migrant family and arranges a childcare place in the most appropriate childcare service, either close to home or close to the AMES language centre. A range of different childcare services are provided, depending on availability. These include family day care, long day care, half day care, occasional care and kindergarten. This childcare is provided at no cost to the family.