



## Australian Government - Productivity Commission Childcare and Early Childhood Learning

February 2014, QCEC Submission

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### Introduction

The Queensland Catholic Education Commission (QCEC) makes the following submission to the Australian Government's Productivity Commission Inquiry into *Childcare and Early Childhood Learning*. QCEC as an approved Central Governing Body in Queensland, distributes Queensland Kindergarten Funding Scheme (QKFS) funding to four delegated Catholic agencies for the provision of kindergarten services. The four delegated agencies are – Cairns Early Learning and Care (Cairns diocese), St Mary MacKillop Kindergartens (Townsville diocese), Early Learning and Care (Rockhampton diocese) and Centacare Child Care Services (Archdiocese of Brisbane).

In 2014, QCEC is the Central Governing Body (CGB) for the 23 kindergarten services managed under the auspices of the above agencies. These services are referred to as 'standalone' services located on Catholic school sites. Some of the above Catholic agencies also operate Long Day Care and Family Day Care services and have had extensive experience in the ECEC sector for a number of years. For other dioceses the area of providing early childhood education and care services is a relatively new endeavour as they have traditionally been focused on providing education through the schooling sector.

The feedback provided in the QCEC submission is based on responses received from the Rockhampton and Townsville dioceses to the guiding questions in the Issues Paper. As there is a diversity of early childhood education and care contexts there is also a diversity of views on the topics raised in the issues paper and therefore the views expressed in this submission may not align with the views of other Catholic dioceses or agencies.

Please note - In Queensland the education program offered to children prior to the first recognised year of formal schooling is referred to as 'kindergarten.' Children must turn 4 years old to be eligible for QKFS funding in a kindergarten service. For the purposes of this submission the preschool educational program will be referred to as 'kindergarten.'

### Government involvement in childcare and early learning

*What role, if any, should the different levels of government play in childcare and early childhood education?*

*What outcomes from ECEC are desirable and should be made achievable over the next decade?*

The implementation of a sustainable funding model that supports all families through appropriate subsidies for early childhood education and care (ECEC) services is needed by the Australian

community.

All levels of government need to reduce the amount of paper-work and red-tape that is currently required in the ECEC sector. The high level of extraneous tasks distracts kindergarten teachers from their core business of educating young children. Many of these tasks are duplicated and unreasonable. An example of this is the requirement for Certified Supervisors to complete paperwork when they have the required qualifications but are expected to apply for an unnecessary certificate. The expectation of teachers to have a Blue Card/Exemption Card is further duplicated in Queensland, as teachers who are members of Queensland College of Teachers (QCT) have already been approved through Working with Children checks.

Significant support is required for regional and remote areas that struggle to have an adequate number of children enrolled to cover operating costs for a viable kindergarten service. Currently there is little recognition of the additional needs of children with disabilities and indigenous children in these communities as there are only limited funds available for children with disabilities in kindergartens (often not available until mid-year) and no additional funding for children who identify as indigenous. The model for funding children with disability and indigenous backgrounds is recognised in Commonwealth school funding models where it is acknowledged that children in disadvantaged communities, including location, require additional funding.

For a number of reasons it is recommended that kindergartens located on school sites and school age care come under the same legislation for school education, e.g. state *Education Acts*. An increasing number of kindergartens and almost all school age care services are located on school campuses. As soon as children currently enrolled in a school walk into an after school hours setting they come under different legislation. This proves problematic and creates anomalies in expectations and also creates segregation between school and the ELC settings. Operating under the same legislation would also help to ensure the smooth transition between kindergarten and school settings. If funding and legislation was the same for kindergartens as it is for schools many issues facing kindergartens located in remote areas would be significantly alleviated.

## **International models of ECEC**

*The Commission is seeking information on international models of childcare that may be relevant to Australia. The Commission has a particular interest in:*

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

The impact on State Regulatory Authorities would be reduced significantly if school age care and kindergartens located on school sites were placed under school education legislation. Long Day Care, Family Day Care and other early years services, such as 'in-home care,' would continue to operate under the existing national legislation and be part of the Regulatory Authority's governance within its own jurisdiction. Funding and administrative tasks of Regulatory Authorities would be able to focus on other aspects of the ECEC sector rather than encompassing the school age care and kindergartens located on school sites.

Prior to national legislation, kindergartens were required to meet legislative requirements and

compliance with the state Child Care Act. The authorities had additional time to work closely with services to achieve quality programs (the centres engaged in self-reflection and the regulatory authority worked collaboratively with centres). Now, however, with the existing assessment and rating process, Regulatory Authorities have limited ability and time to share best practice and work cooperatively with the sector.

The Quality Improvement Plan is a vital document to guide practice and should be used as the primary tool for regulatory authorities to work collaboratively with early years settings. This would increase productivity amongst those in regulatory authorities and give a real focus on the core business of providing quality care and education for young children.

International models of childcare in Ontario, Finland, Italy and New Zealand provide funding to services rather than families which enables services to provide a no or low cost service; regulatory frameworks are sensitive to the difficulties of employing qualified staff in 'hard to place' locations; governments financially support the childcare workforce industry in skilling and training; governments support the ECEC services so that the cost of regulatory requirements such as staff qualifications are not passed on to families.

## **Changing demand for ECEC**

*The Commission is seeking empirical evidence on demand for ECEC, in particular:*

- *are there families from particular household structures, socioeconomic groups or geographic areas that are now using some forms of ECEC significantly more than in the past?*
- *which types of families are likely to require significantly more or less use of ECEC in the future?*

The importance of education in the early years is gaining agency and voice in the wider community. Most families with parent working have a need for school age care services. Kindergarten is increasingly being seen to be an essential part of a child's educational journey. Being able to provide 'after kindy' care is being seriously considered by approved providers in the future. This would ensure children have access to a four year qualified teacher for most of the day and a diploma trained educator for the remainder of their day.

Long day care centres and stand-alone kindergartens in the Diocese of Townsville have experienced since 2010, an increase of 15% in families enrolling children with disabilities and/or delays in learning. Families on low incomes and single parents with Health Care Cards have increased three fold since 2010. Low cost kindergartens has increased attendance in both service types.

## **Children's development needs**

*The Commission is seeking evidence on the effect of the different types of ECEC, including separate preschool programs, on children's learning and development and preparedness for school.*

*How does the amount of time spent in ECEC and the age at which a child first enters childcare impact on learning and development outcomes?*

*Would extending the length of the school day have a significant impact on children's learning and development outcomes or parents' workforce participation decisions? What other impacts would such changes have?*

Kindergarten programs being placed under the same legislation governing schools would support transition and continuity, equity of access and funding. The kindergarten program is vital in ensuring

children are positioned for success in their current and future learning.

School age care and kindergarten age care after the school/kindergarten day greatly assists working families. Families prefer a longer kindergarten day as it meets their work requirements and demands. Successful kindergartens are services that provide before and after kindergarten care and are services that embed kindergarten within the child care centre (long day care) day.

A balanced day for the child aged 0-5 is most important. The impact on the child's learning and development and preparedness for school is determined not on the quantity of time a child is in the kindergarten program but the quality of the program. A balance of social, emotional, spiritual, physical and intellectual stimulation determines a quality program. The child's day should be managed to attend to the needs of the whole child.

Children aged 3-5 years old benefit from a 2-3 day regular weekly 'quality' kindergarten program with qualified staff to support their learning, development and transition to school which is delivered from 8:30 to 2:30pm. This could be supported with a care program before and after these times where the context of learning and development provides continuity from kindergarten but is slightly altered to suit the individual needs of each child.

### **Impacts on workforce participation**

*What is the relative importance of accessibility, flexibility, affordability and quality of ECEC (relative to other key factors) in influencing decisions of parents as to whether they work or remain at home to care for children?*

*What trade-offs do working parents make in relation to their demand for ECEC? For example, are they prepared to accept lower quality care if that care is close to where they live or work and/or enables them to work part-time or on certain days?*

*Has increasing workforce participation by mothers increased demand for childcare, or has improved availability, affordability, and/or quality of childcare led to increased participation?*

*How have government ECEC support programs affected workforce participation?*

The challenge for ECEC services is to provide a quality education and care service that is compliant with all the excess red-tape requirements under the NQF whilst still keeping fees affordable.

Additional hours are accrued by educators to meet the unnecessary and excessive paperwork requirements, with the most qualified educators spending significant time on paperwork rather than working with children. This ultimately means these additional costs are passed onto families.

Data from the Diocese of Townsville shows 70% of mothers and/or father (carer) return to the workforce part-time when their children start kindergarten at the age of 3.5 – 4.5 years old. Thus, the demand for before and after kindergarten care is growing as parents struggle to pick drop off at 8:30am and pickup at 2:30pm for kindergarten.

Quality is never a compromise for parents. Families find the right child care/ kindergarten for their child and they shop arrive to find the 'right fit.' Even in smaller towns, parents make choices as to where they send their children based on quality.

### **Availability of childcare and early learning services**

*The Commission is seeking evidence on:*

- *the extent to which parents are experiencing difficulties accessing ECEC that meets their needs/preferences and whether there are particular categories of care, times, locations or circumstances for which accessing ECEC is more difficult — for example, regional areas, certain days or part days each week, or for children with additional needs?*
- *how parents identify vacancies or choose which ECEC service to use — for example, are parents aware that the My Child website ([www.mychild.gov.au](http://www.mychild.gov.au)) and at least one privately operated website allows them to search for centres reporting vacancies and do they find this service accurate and/or useful?*

Families often express the desire to enrol their kindergarten-aged child into the Catholic school located on the same site when enrolling their child in kindergarten. Aligning all services under the one jurisdiction and legislation would streamline access and allow families to enrol their child into different settings at the one time. Currently, families are required to enrol in all settings separately i.e. school, kindergarten and school age care.

Empirical evidence and demographic statistics show that parents on rostered work schedules experience the most difficulty in accessing childcare and kindergartens. Families in locations such as Mount Isa and Townsville experience difficulties in aligning their rosters with child care.

*The Commission is seeking information from ECEC providers on:*

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

The Diocese of Rockhampton would be willing to provide kindergarten centres on all of their school campuses to ensure all families have access to an early year's education program. In some areas, working families may also require access to after school age/kindergarten age care. The Queensland government to date has provided capital funding for the construction of only two centres across the whole central region of Qld. By taking out significant loans, the Rockhampton diocese has attempted to provide families access to kindergarten programs in many rural and remote areas (e.g. Blackall, Biloela, Barcaldine, Springsure, Emerald). These kindergarten services received no capital funding from the government and yet provide a valuable kindergarten program for children in rural and remote regions.

The Diocese of Townsville offers child care and kindergarten/care programs in all services from 6am to 6pm. This includes the use of a combination of services to meet the needs of the families for example; the combination of kindergarten and outside school (kindergarten) hours care.

The key barrier to extending ECEC services is qualified committed staff.

*The Commission is seeking information from employers that currently provide childcare services or assist employees to access childcare, on:*

- *the nature of the services or assistance provided*
- *issues encountered in supporting employee use of childcare services.*

The Diocese of Townsville provides 6am to 6pm care in child care and kindergartens using a combination of service types to maintain the opening hours. Incentives are offered to staff, e.g. providing child care places (often at no charge) to care for the staff children. Committed, qualified staff are a barrier.

## **Flexibility of childcare and early learning services**

*The Commission is seeking information on:*

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

The Rockhampton diocese would implement flexible programs for families across Central Queensland (Longreach to Mackay to Bundaberg) if funding was provided to build/amend facilities for these services. When Year 7 moves to secondary school in Qld in 2015 there may be available space in many schools for kindergarten programs. The diocese would be in a position to support thousands of families by offering flexible programs for after school/kindergarten care.

The Diocese of Townsville offers incentives to staff for example; free care for staff children, accommodation subsidies, air-conditioning subsidies and annual travel allowance to maintain a consistent workforce and to be able to offer families a service from 6am to 6pm.

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

*The Commission is seeking information on:*

- *how well the needs of disadvantaged, vulnerable or other additional needs children are being met by the ECEC sector as a whole, by individual types of care, and in particular regions*
- *the extent to which additional needs are being met by mainstream ECEC services or specialised services*
- *key factors that explain any failure to meet these needs*
- *what childcare operators and governments can do to improve the delivery of childcare services to children with additional needs?*
- *the types of ECEC services which work particularly well and would be viable in regional and remote locations.*

Funding for children with disabilities has not increased with Consumer Price Index. Many teachers who have worked in the ECEC sector for many years are alarmed at the lack of funding for young children with disabilities and their families. Funding for children with disabilities is also limited to the second half of the kindergarten year in Queensland i.e. funding is not distributed until mid/late-year and services are required to find the funding for additional staff and resources from their own budgets – which are already tight.

A possible solution would be for Regulatory Authorities to allocate funding from the commencement of the kindergarten year when sufficient information is available made in the year prior to kindergarten from specialist reports, Early Childhood Intervention Centres.

## **Cost of childcare and early learning services in Australia**

*The Commission is seeking information and where possible quantitative evidence on:*

- *financial difficulties arising from paying childcare fees, including the types or location of families experiencing the greatest difficulties in meeting childcare costs*
- *changes in the use of ECEC, including the type of care used (formal and informal), in response to changes in the cost of care*
- *the extent of price competition between providers and the effect this has had on fees and the quality of services provided*
- *the flexibility providers have to price in response to demand and/or to meet the particular care and learning needs of children.*

In the Rockhampton diocese increasing financial obligations (e.g. operating costs, utilities, salaries) have necessitated an increase in fees. Additional hours have needed to be provided to enable educators to complete paperwork for – staff employment, compliance requirements, and ACECQA requirements e.g. leading up to and during the assessment and rating process. These costs need to be recovered and as recurrent funding through the Queensland Kindergarten Funding Scheme has not increased in line with all of these factors, costs are passed onto parents through increased fees.

Reduction in paperwork, allocation of school age care services and kindergarten located on school sites under the relevant state Education Acts would help alleviate some of these costs being passed onto families.

Families face high fees as the cost of staff incentive programs and in particular regulatory requirements of specific qualified staff is passed on. This is unavoidable due to financial viability. Townsville diocese has empirical evidence that 65% of families on higher incomes struggle to pay child care fees.

## **Government regulation of childcare and early learning**

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

Increased regulations have impacted significantly on early year's settings and school age care services. The requirement for all services to have a Certified Supervisor who takes on the role of 'Responsible Person' is untenable, particularly in remote areas given the high turn-over of staff in these areas. The process can take up to 60 days to process an application for a Certified

Supervisor certificate and services must close if they do not have an educator with a certificate (even if there are educators with the recognised qualifications available). In some remote areas, suitable qualified relief staff are very difficult to access. Those with a Supervisor Certificate are simply not available or relief staff in schools are not willing to complete the endless paperwork required to work in kindergarten services.

Educators with the appropriate qualifications should be sufficient to be the Responsible Person in Charge (as delegated by the Approved Provider). The Supervisor Certificate is superfluous.

The largest impact on child care centres and kindergartens in the Diocese of Townsville has been the inexperience of Regulatory Authorised officers regarding the Quality Area 1: Curriculum. The lack of experience of authorised officers is evident in particular with the understanding of the Queensland Kindergarten Learning Guidelines and its alignment with the Early Years Learning Framework.

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

*The Commission is seeking views and evidence on:*

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

The ratios in the Child Care Act were appropriate.

The retention and employment of qualified staff. The cost of employing a suitable qualified teacher in each childcare centre, even in a kindergarten program is or is not delivered, is high and not financially viable.

The cost of the qualified teacher will inevitably be passed on to families unless there is more funding support from the Australian and State government.

The slow response by ACECQA to issue Supervisor Certificates has delayed the staffing ratios in some child care centres and kindergartens.

*The Commission is seeking information on:*

- *initiatives of governments to address workforce shortages and qualifications, including the cost and effectiveness of these initiatives*
- *initiatives of providers to address their workforce shortages and skill needs, including the cost and effectiveness of these initiatives*
- *particular locations and areas of skill for which it is hard to find qualified workers*
- *the extent to which training/childcare courses enable workers to meet the requirements of the NQF and how training could be improved*

- *other workforce and workplace issues, including any aspect of government regulation, that affects the attractiveness of childcare or early learning as a vocation.*

*Are the requirements associated with more subjective aspects of the National Quality Standards, such as ‘relationships with children’, clear to service operators and regulatory staff? Is further guidance required?*

*Could the information provided on the ‘My Child’ website be changed to make it more useful or accessible to families? Are there other approaches to providing information to parents about vacancies, fees and compliance that should be considered?*

Recognition of those teachers registered with the Queensland College of Teachers (QCT) including qualifications and Working with Children checks would negate the replication of agencies rechecking information and processing Nominated Supervisors. QCT is best positioned to recognise teachers who are qualified to teach in kindergartens and be Directors of early childhood settings.

In remote areas, qualified teachers are extremely difficult to access - relief teachers are rare. Therefore, there needs to be provision for more flexibility in these areas (this does not include applying for temporary waivers which requires additional paperwork).

The Diocese of Townsville offers incentives to staff for example; free care for staff children, accommodation and air-conditioning subsidies and annual travel allowance. The diocese works to maintain a consistent, committed and qualified workforce in centres by offering families a 6am to 6pm service.

## **Other regulations**

*The Commission is seeking information on:*

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

Combining kindergartens located on school sites and school age care under the school education legislation would alleviate duplication, streamline processes and ensure equity of funding.

Administration tasks (endless notifications and duplication of paperwork), heavily impacts on an educator’s time to undertake their core business which is educating young children. For example to appoint a Nominated Supervisor requires four applications/forms, not including the requirement to apply for a Working with Children Check (even though, the teacher may have a registration with QCT whereby these checks have been completed). There are relief teachers in the Far Western communities of Qld who have refused to complete these processes and some kindergarten teachers have transferred to the school education system due to the many unnecessary regulatory requirements.

The local government requirements on Food Safety to be able to provide food to children in

kindergartens are a very costly procedure. The cost on average has exceeded \$5,000 for each kindergarten service.

## **Options for regulatory reform**

*How could the NQF and other regulations affecting ECEC be improved — both requirements and their implementation/enforcement — to be more effective and/or to reduce the compliance burden on ECEC services or workers and/or administration costs for governments?*

*Are there lower cost ways to achieve the regulatory objectives for ECEC?*

*Are there areas currently regulated that would be better left to sector self-regulatory codes of practice or accreditation schemes?*

- Removal of the Certified Supervisor Certificate and Nominated Supervisor Certificates: These are unnecessary as educators are already required to be qualified to work in the ECEC sector. Approved providers would elect who to appoint as the most eligible educator to be in charge of the service.
- Abolish the assessment and rating process (as it is a 'power-over' process rather than supportive of a 'collaborative and empowering' methodology). Utilise the skills and knowledge of the state's Regulatory Authorities to work closely with the sector to negotiate their Quality Improvement Plans and regularly visit and provide guidance to support the provision of quality care and education. Currently, these authorities have no time to actually work with centres as they are too busy assessing. Educators are leaving the sector in huge numbers due to the stressful conditions surrounding the assessment and rating process.
- Annual improvement procedures for Quality Area 1: Curriculum and Quality Area 4: Staffing Arrangements are essential. Some school education sectors have well-developed compliance processes for their schools which are very effective and productive – these should be considered by government.

## **Government support for childcare and early learning**

*Some general questions about government support:*

- *How does government support to families and childcare providers impact on accessibility, flexibility and affordability of childcare?*
- *Is the level of overall government support for ECEC appropriate?*

*Some specific questions for families claiming government support:*

- *Is it difficult to apply for or receive financial assistance for childcare?*
- *Is it straightforward to determine how much financial assistance you will receive?*
- *What effect have government support for childcare and other family income support arrangements, such as paid parental leave and family tax benefits, had on demand for ECEC?*
- *Have increases in support reduced the out of pocket cost of childcare for parents, or have fees just risen in response?*

*Some 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?*
- *Do existing arrangements for delivering support present any difficulties for ECEC providers in assisting families with resolving eligibility or payment issues?*
- *Which government support schemes do you consider are warranted, well designed, and efficiently implemented and administered and which are not? Which schemes do you consider offer the most assistance to your operations?*

Aligning kindergartens located on school sites and school age care services with school education legislation. Children enrolled in an education program in the year prior to formal schooling should not be under the same legislation as babies in child care services.

The most effective Child Care Benefit/Rebate scheme is the one where the ECEC service receives the funding direct. Often families often receive CCB/CCR and do not pay their fees.

## **Options for reform of childcare funding and support**

*How could government support programs be reformed to better meet government objectives for ECEC?*

*What financial contribution should parents be expected to make to the care and education of their children? To what extent should governments subsidise use of childcare and early learning? Should families reasonably expect to receive childcare support in addition to paid parental leave and family tax benefits?*

*Is there scope to simplify childcare support? What changes could be made to the way childcare support is administered to make the process easier for parents or providers? Is the distinction between approved care and registered care necessary?*

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

- *Where funding is paid directly to operators of ECEC services, what conditions should apply?*
- *What would be the advantages and disadvantages of different payment models?*
- *Should childcare assistance be subject to testing of family/parent income levels, or to other requirements such as a necessity to be participating in work, study or training? If so, what income thresholds or activity levels should determine eligibility? To what extent are such requirements currently abused? What are the advantages and disadvantages of such requirements?*
- *Should childcare expenses be tax deductible for families?*

*Is support appropriately targeted? If not how could it be better targeted (including less targeted)?*

• *Should a greater (or smaller) proportion of the assistance be directed to: particular regions; particular types of ECEC; ECEC used for particular purposes — parents working, studying or undertaking other activities; or to support additional needs children or lower socioeconomic groups?*

- *Is there scope to streamline and simplify access of providers to support arrangements for children with additional needs?*

*Should support be extended to cover certain types of childcare not currently funded or to increase funding for specific types of childcare — for example nannies providing in-home care? If so what kind of support should be offered? What conditions, for instance accreditation requirements, should apply to such funding or funding increases?*

*What measures, if any, should governments consider to encourage employer provided childcare services?*

*Is there scope to rationalise and streamline the many types of funding provided by the Commonwealth or state/local governments?*

The fees must come directly to the sector as services are closing due to families not paying fees (including CCR that currently is optional for families to forward directly to services).

All children should have access to at least one year of early childhood education. Therefore, funds should be directed to supporting an increase in kindergarten programs across Australia, allowing for equitable access for all children.

Families who are working should receive reduced fees as they are contributing to the payment of taxes and the financial status of Australia.

### **General comments**

The Australian Government should consider supporting and funding a national Transition to School program. Research has shown that a smooth transition to school for all kindergarten children sets the child up for a successful start in school. As an example, a good model is the Victorian Transition to School program.