

Childcare and Early Childhood Learning

Productivity Commission Public Inquiry 2014

Submission by KU Children's Services

Proudly a not for profit organisation



Abbi, 5 years

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About KU Children's Services

KU Children's Services is one of the largest not-for-profit providers of early childhood education and care and is the most experienced provider in Australia.

KU Children's Services (KU) was the first provider of early childhood education and care in Australia, established in 1895 as the Kindergarten Union of NSW. Since our foundation, KU has operated continuously for 119 years making KU the nation's most experienced provider. Our vision is that *'Every child can experience high quality early childhood education, where they can play, discover and learn'*.

As one of the largest not-for-profit providers of early childhood education, we enrol over 15,000 children each year, in over 150 services and programs in New South Wales, Victoria, Queensland and the Australian Capital Territory. These services include long day care, preschool/kindergarten, out of school hours care, vacation care, occasional care, family programs, early intervention programs and other early childhood education and care services. KU operates the majority of these services in our own right, while also managing numerous services on a contract basis, including 14 services operated for, or in conjunction with, employers offering 'work-based' long day care services.

KU's achievements in the National Quality Standards Assessment and Ratings to date, far exceed the national average, evidencing KU's long-serving commitment to quality early childhood education provided by university qualified teachers, and supported by specialist early childhood education teams and a range of business support units.

Such is KU's experience, expertise and reputation within the sector, the organisation is often requested to provide specialist advice by other providers, peak bodies, the corporate sector, and all levels of Government.

KU provides outreach consultancy services to the sector, and early childhood educators are able access to KU's Professional Learning Program at a minimal cost.

We value inclusion and diversity. The inclusion of children with a diverse range of needs and backgrounds within our services is supported by a dedicated Education Support and Family Services team. KU is also the National Inclusion Support Subsidy Program (NISSP) provider for the Australian Government. Additionally, KU manages the Inclusion Support Agencies (ISAs) in eight regions throughout New South Wales and Victoria, and the Supporting Children with Additional Needs (SCAN) Northern Sydney region.

KU employs more than 2,000 staff. We have long been recognised for our absolute commitment to the employment of teachers, and are one of the largest non-Government employers of teachers within the early childhood education and care sector. As an employer, KU recognises the value of our workforce and works hard to support and develop staff, and increase participation.

Supplementary submissions to the Inquiry

KU has submitted a second/supplementary submission to this Inquiry in its capacity as the NISSP provider and an operator of ISAs. The supplementary submission specifically addresses the experiences and issues related to inclusion support in early childhood education and care settings.

KU has also contributed to and supports submissions made by:

- Early Childhood Australia
- Australian Community Children's Services
- NSW Children's Services Forum

Introductory comments

Fundamental to this submission is KU's belief that this Inquiry understands the role early childhood education and childcare plays, or can play, in meeting two distinct and important societal needs:

1. The **childcare needs of parents and carers**; and
2. The **educational rights of young children**.

Without doubt the two sets of needs, and many of the related services, are interrelated. However, it does not necessarily equate that what is most desirable for parents, is also what is in the best interests of children. KU believes that the greatest policy and social and emotional outcomes will be delivered when the uniqueness and variability of these two sets of needs is recognised and acknowledged.

Just as some solutions and services will assist in meeting both the educational rights of children and the care needs of families, other solutions may be very effective in addressing the needs of one but not the other. KU believes that there is no single solution to this issue, nor can the early childhood education and childcare sector alone provide the answer in meeting all of the needs of every Australian family.

KU's experience in working with families within both community-based and work-based early childhood education and care settings suggests that many parents are increasingly struggling to manage work and family commitments. The reasons for this are complex and multifaceted.

Whilst KU acknowledges that changing workforce demographics and work patterns may have an impact on the childcare needs of parents, KU argues that this does not necessarily coincide with changing educational needs of children. Accordingly, when considering the current and future needs for early childhood education and childcare in Australia, KU believes that 'what's best for children' (particularly in relation to educational needs) must always be considered first, and then solutions developed that meet the requirements of parents. Overall, the goal should be to find solutions that effectively cater to both.

Terminology

The terminology used to describe this sector varies greatly, and can often be confusing. Terms such as 'education', 'learning', 'care' and 'childcare' are commonly used by parents, organisations and all levels of Government. The National Quality Framework and the current legislation for the sector uses 'early childhood education and care'. For the purposes of clarity, KU has used the following definitions as the basis for the use of terminology within this response:

- **Learning** refers to a process that occurs naturally in children as they grow and develop. 'Early childhood learning' will occur to any child inherently as a natural process, whether they attend an ECEC setting or not. It is not a service that is provided or delivered to children by a third party.
- **Early childhood education** refers to a centre based service that provides an intentional play-based curriculum for young children, led by a university qualified early childhood teacher in a group setting. The care of a child (and therefore the provision of childcare) is inherent within an early childhood education setting.
- **Childcare** refers to the care of young children carried out in settings that do not generally have a university qualified early childhood teacher providing an intentional play-based curriculum.
- **Early childhood education and childcare** is used to describe the sector and providers as a collective, encompassing all services providing childcare, regardless of whether they include a core early childhood education component or not.

In addition, there has been a growing trend for some providers and the media to refer to the sector as an 'industry'. KU believes strongly that if we are to raise the status and standing of the sector that it needs to be seen as a 'profession' rather than an 'industry'.

All other sectors of education (primary schools, high schools and tertiary institutions) are not referred to as an 'industry' and we believe that the education and care of young children is just as vitally important and therefore should be referred to as part of the education profession. KU therefore refers to early childhood education as a 'profession' or 'sector'.

1. The child care needs of parents and carers

Drivers of workforce participation: The KU experience

► **KU as an employer: what our workforce tells us**

With a staff profile that is 96 % female, 57 % of which are aged between 18 and 45 years, predominantly with carer's responsibilities, KU's workforce is an excellent litmus test for the role high quality early childhood education and childcare can make to increased participation in the workforce.

Overall KU's experience is that more staff are returning to work following parental leave (approximately 80 %), and those doing so are returning to work earlier, usually with modified hours indentified as part of a parental return to work plan. KU is proud to provide flexible work practices for parents seeking to re-engage with the workforce, and works actively to help staff identify return to work options that suit each person's individual circumstances. KU's sector-leading staff retention statistics, such as approximately 10 % annual staff turnover, and an average length of service of more than 17 years (permanent employees), are testament to the workforce participation outcomes that can be achieved when employers are committed to supporting staff, particularly females, at all stages in their work/life cycles.

It is interesting to note that in KU's preschool services, where hours and conditions are more aligned to family/carer responsibilities and school hours, the staff retention rate is significantly higher than in long day care settings, where staffing times and rosters cover a longer spread of hours.

KU staff returning to work from parental leave are a committed source of knowledge and experience that KU values and nurtures. These staff members are an essential resource in the early childhood labour market, which is experiencing a shortage of qualified and suitably experienced educators. They also hold valuable KU-specific knowledge and skills which are developed over time through KU's significant investment in support and professional learning.

Access to affordable, high quality education and care for their children is the key determining factor for KU staff when they are planning their return from parental leave. Whilst KU provides sector leading wages and conditions to our staff, the relatively low wages paid to early childhood educators (compared with other sectors and professions), remains a reality. This sees the cost effectiveness of childcare dominate as a concern for staff who are new parents. In some cases, the inability to access affordable childcare has precluded or delayed the staff member's return to work.

Where access to affordable, quality childcare is facilitated, employees are able to exercise their right to choose if, when and how they re-engage with the paid workforce. Employers, like KU, enjoy the benefits of economic and quality outcomes derived from long term retention of highly qualified and experienced staff.

► **KU as a provider: what parents tell us**

KU interacts with the families of more than 15,000 children annually, the majority of whom are engaged with the workforce in some capacity. Like many aspects of family life, the work/study patterns and childcare needs of individual families vary enormously. Overwhelmingly however, parents feel less anxious about returning to or continuing to engage in, work if their child is settled and receiving high quality education and care.

In KU's own experience, access to that high quality education and care remains one of the biggest barriers faced by our families. By access, KU means the affordability of high quality care (which we see as an issue for parents broadly) and the availability of places (in selected geographic areas).

As more parents are working, and working hours become longer, there is a widely reported expectation that parents are increasingly seeking more 'flexible' childcare solutions. The media and Government have at times suggested that it is solely the role of early childhood education services to meet that demand, and that flexibility should primarily take the form of longer hours of centre based childcare (such as the trials of 24 hour care that have been funded by the Government).

KU long day care services are generally open to children for eleven hours per day. The eleven hours of operation is needed to accommodate families' drop off and collection times between their working hours and travel time.

There are no Australian schools which are open for eleven hours per day.

All children enrolled in KU services, ultimately start school and the childcare needs of families do not cease once children start school. Whilst children are in formal schooling for six hours per day, families continue to need care outside those hours and during school holidays. This is currently provided by out of school hours care (OSHC) and vacation care (VC) programs. Both of these services are not adequately funded, nor are they provided with service specific premises and are not operating as an important and integral part of schools. In our experience, OSHC is a challenging model that can be difficult to operate viably, except where servicing a very large number of enrolments.

KU disagrees that in most cases the desire for flexibility is a desire for longer operating hours of centre based early childhood education. KU also disagrees that it is solely the role of the early childhood education centre based provider to provide flexibility for families and we suggest this must be done in collaboration with a whole of society approach – with government, employers and the ECEC sector.

In more than 20 years of operating work-based childcare, and providing extensive consultancy to the corporate sector on this topic (including many shift-based workplaces), KU has yet to see a scenario in which a 'very long day' or '24 hour care' is either the preference of employees/parents, or a viable and sustainable option for the employer/service provider.

With this in mind, KU suggests that the 'flexibility' parents are seeking can be better articulated as the opportunity to make and implement better choices about:

- Working arrangements (days, times, location, etc.);
- The early childhood education their children receive; and
- The nature and structure of any care/assistance they may need to implement those work and educational choices.

KU sees this reflected in the utilisation patterns of our services where many families use multiple types of early childhood education and childcare solutions across the week, in an effort to meet all the variable and unique needs of their family.

KU sees a highly variable range of situations and challenges as parents grapple with the family/work life balance. Some examples of this include:

- Parents working (or studying) long hours and therefore requiring care for their children for a longer day as a result of those commitments, and/or increasingly, as a result of extending transit/commute times.
- Shift workers having childcare needs that change from week to week, or late in the night/very early morning.
- Some parents accessing formal early childhood education and childcare services in combination with family assistance for periods of the day. For example, having a grandparent collect a child from preschool, long day care or school. This includes many families juggling not only the timetables of the parents, but also those of multiple children, some of which may be of school age, and others younger.
- Families in rural, regional and remote communities, where the range of services can be limited and/or difficult to access and the distance to travel (between work, home and childcare) can be much farther, struggling to find appropriate care.

Broadly, KU regularly sees the relationship between the affordability of fees and participation rates in childcare settings, impacting on workforce participation. For example, when fees increase (be it through provider initiated increases or the parent reaching their funding/rebate cap) we commonly see a reduction in the number of days a child may be enrolled. It can only be assumed that in some of these cases, a parent will be reducing working hours to take up caring at home responsibilities.

Similarly, KU often sees parents calculate a ‘tipping point’ at which retuning to work and utilising approved childcare services becomes less financially viable. For example, if a childcare fee is \$100 per day, the Child Care Rebate is only able to subsidise three days of childcare fees per week (after which the \$7,500 cap would be expended before the end of the year). For many families, this ‘tipping point’ becomes a driver in the decision about whether it is a financially viable option to return to work for their desired number of days.

Facilitating workforce participation

No single early education and childcare service model is able to practically or cost effectively meet the complex and individual needs of all families.

KU firmly believes that access to childcare is undoubtedly a contributing factor in workforce participation; however it is not the only factor. It must be acknowledged that other forces and stakeholders have a role to play in facilitating workforce participation, and the best outcomes lie in identifying, structuring and appropriately funding a range of integrated and complementary solutions.

In essence, KU believes we must take a ‘bigger picture’ approach.

Employers have a role to play in providing the most flexible, family friendly working conditions possible. We know that facilitating arrangements such as part time work, flexible working hours (which accommodate childcare/school drop-off and pick-up), working from home arrangements, and wherever possible, the provision of work-based or employer sponsored childcare arrangements, all facilitate greater workforce participation and more engaged employees. In KU’s experience, participation is even higher when access to childcare is accompanied by flexible employment conditions.

The early childhood education and childcare sector has a role to play by continuing to nurture and develop a sector that meets the complex and changing needs of modern families whilst considering what is in the best interest of children. This includes the provision and support of a range of services which offer parents choice and flexibility when seeking childcare, but most importantly, which recognise and prioritise the needs of children and a commitment to standards to deliver high quality.

All levels of Government have a role to play in supporting early childhood education within the context of workforce participation goals. Be it through providing funding, venues, support services, infrastructure, regulation or incentives, the greatest benefits will only be delivered to children, families and the community when all levels of Government play a role, and work together to do so.

► Work-based childcare

KU believes that the strategic provision of work-based and/or employer sponsored childcare represents an area of huge potential, not only for large employers, but if structured appropriately, for the community and not-for-profit providers alike.

Most capital cities are currently experiencing high levels of unmet childcare demand. This is compounded by the fact that CBD areas is where most large employers are located, so parents seeking childcare close to work add to the demands of local residents.

The cost of establishing and operating work-based services is cost prohibitive for almost all employers, and many employers report that the current corporate incentives to provide childcare are no longer ‘worth it’, particularly as land/capital costs in CBD areas are so prohibitive. Additionally, operating costs for work-based centres can actually be higher than many other standard community-based services, as employers may be expected to pay management fees to the childcare provider, on top of the cost of service operations.

KU believes that models such as, incentivising employers to ‘sponsor childcare places’ rather than requiring them to construct and/or provide entire childcare centres, would provide more flexibility to employers and greater equity to employees (who may not all be based, or want childcare, in the CBD).

In KU's experience, joint commercial/social ventures combining sponsored and community spaces, operated by community-based providers, could deliver the following benefits:

- Guaranteed income from employer-sponsored places reduces the risk associated with huge capital investment in new CBD childcare centres for providers.
- Sponsored places (within a community-based centre) are a more viable option for smaller employers looking for fewer spaces. It also means that multiple employers can cooperatively utilise a single centre, which is not easily achieved under current employer incentive restrictions.
- Capital grants to not-for-profit providers (for the purpose of establishing joint commercial/social venture services) would:
 - enable restrictions to be placed on the percentage of corporate/community places, ensuring the demand in both markets is being addressed; and
 - provide not-for-profit organisations with access to new viable early childhood education and childcare services, in areas of high demand, to assist in generating surpluses required to cross-subsidise unviable services in areas of high need.

2. The educational rights of young children

The value of early childhood education

Australia is a signatory to the UN Convention on the Rights of the Child, which states that:

- Every child is entitled to receive education;
- The best interests of the child shall be the guiding principle of those responsible for his education and guidance; and
- The child shall have full opportunity for play and recreation, which should be directed to the same purposes as education.

Additionally, there is a large body of evidence, much of which informed the development of the National Quality Framework, that directly links participation in high quality early childhood education and care services to improved outcomes for children. Central to this is the understanding that early childhood education, and particularly play-based curriculums developed and delivered by university qualified early childhood teachers, must be recognised as a distinct, specialist and critical area of education.

The Effective Provision of Pre-school Education (EPPE) Project (Sylva et al, 2004) documents the positive relationship between the qualifications levels of early childhood educators and the educational outcomes for children. In essence, the higher the qualifications of staff, the more progress children make. Having qualified teachers working with children in preschool settings was found to have the greatest impact on quality, and was linked specifically with better outcomes in pre-reading and social development.

More recently, research conducted in Australia by the Melbourne Institute (Warren and Haisken-DeNew, 2013) revealed the positive causal relationship between participation in teacher-led preschool programs and improved Year 3 National NAPLAN Cognitive Tests. Studies such as this continue to document the long term educational and social outcomes that are produced through access to high quality early childhood education.

High quality early childhood education assists children to develop vital social, emotional and cognitive skills, and forms the foundation for lifelong dispositions to learning, and a preparedness for the transition to formal schooling. It is also widely accepted that the positive impact and benefits delivered by quality early childhood education are greater for vulnerable children.

KU strongly believes that early childhood education, and the skills and expertise of specialist teachers in this area, must continue to be valued and nurtured within the Australian educational framework.

KU has demonstrated a commitment to employing university qualified early childhood teachers in all KU centres since the organisation's inception in 1895. As a result, KU has experienced first-hand the impact that teachers have on the overall quality of early childhood education programs over many years. The implementation of the National Quality Standards Assessment and Rating process in recent years has provided further evidence of the positive impact KU's long term approach has had on quality, with 93 % of KU services assessed to date being rated as Meeting or Exceeding the National Quality Standard (as at 4 February 2014), compared with only 59 % of services assessed nationally (ACECQA Q4 2013).

It is clear that optimal learning and developmental outcomes are achieved in quality early childhood education services offering an intentional educational program, delivered by university qualified early childhood teachers. KU believes this sits at the core of early childhood educational philosophy, and is what differentiates intentional educational programs from childcare. Prof. Bruce Perry (2001) believes the real goal of early childhood education is to create children who are productive, curious and capable of continuing throughout their whole lifetime as positive contributors to our culture.

Of course, the wage differential between teachers and their less qualified colleagues means that it costs more to deliver a teacher-led early childhood education experience. It is KU's position that the evidence supports greater investment in teachers enabling greater learning outcomes for children.

In addition to the educational, social and emotional outcomes, the contribution made by early childhood education programs in addressing the childcare needs of families, must also be acknowledged, particularly in the context of the scope of this Inquiry.

Whilst KU acknowledges the role that alternate, less expensive childcare service types play in meeting workforce participation goals, and the practical needs of parents, we believe every effort should be made to improve access to, and participation in, those programs which have the evidence base supports, to deliver the best outcomes for children and the community.

Commentary on the current early childhood education and childcare landscape

► Early childhood education and childcare as an essential community service

It is KU's position that early childhood education and childcare must be recognised as both a right of each child and a vital community service. In line with other levels of education, early childhood education and childcare should not be viewed as a commoditised, non-essential service.

We believe the broader community shares this philosophical viewpoint. This is why Governments have, and should continue to, contribute funding and support to the sector.

It is unclear how Australian society has come to believe that government responsibility to provide free universal education only starts at age 5 and ends at 18. Research tells us that quality education in the early years repays itself seventeen times over (Heckman 2008). However government policy (both State and Commonwealth) reveals it is viewed as an optional extra toward which they need only make a partial contribution, similar to tertiary education.

KU values diversity within our sector, and believes parents should have a choice of providers of early childhood education and childcare (including not-for-profit, local government and small, independent private providers). Protecting and nurturing this diversity is essential, as market forces alone cannot deliver a viable and sustainable sector.

Competition amongst providers to deliver early childhood education and childcare in communities which can support viable, profitable services is high. However the unfortunate reality is that the provision of early childhood education and childcare in some other areas is, in financial terms, extremely unviable. This may be the result of unusually high operating costs (such as high rents in some locations, or the cost of attracting and retaining staff to remote locations), or an inability to generate enough fee revenue to cover operating costs (due to low income levels amongst families, or services supporting very small populations). These unviable services are most commonly operated by not-for-profit organisations as part of their commitment to social responsibility.

Historically these services were established during the 1970s and 1980s when the Government provided capital funding to not-for-profits who have continued to establish services since this time. This was prior to the explosion of the 'for profit' sector. This was also at a time when Government policy supported services through the provision of operational subsidies which ensured the services were viable and affordable to the communities in which they were located.

Larger not-for-profit organisations like KU continue to use the surplus generated by more viable services to cross subsidise the operation of other vital, yet financially unviable, services. Unless the Government is prepared to fully fund the provision of unviable services in such communities, steps must be taken to ensure that not-for-profit organisations are continually able to access and operate services which will generate the surpluses/profits required to enable cross subsidisation.

By the nature of their business model, large corporatised providers (publicly listed) are driven by the generation of profit for shareholders, - childcare (and children) is simply the commodity through which this is achieved. This intrinsically contradicts the philosophy that underpins the provision of education as a vital community service. Accordingly the funding of these services delivers public money directly into the hands of private investors. In KU's view, this model has no place within the Australian early childhood education and childcare landscape.

► Including vulnerable children

KU is recognised for its strong inclusion of all children from vulnerable and disadvantaged backgrounds. KU also recognises that children from Aboriginal and Torres Strait Islander, and culturally and

linguistically diverse backgrounds can be vulnerable, and may benefit from additional support to access early childhood education services.

We work collaboratively with statutory child protection agencies and affiliated non-government early intervention services to prioritise enrolment placements for vulnerable children who have experienced or are at risk of suffering from abuse or neglect.

Eligibility for rebates and subsidies for these families is complex and there are many variables. Centres are required to make application on behalf of the family for Child Care Benefit or Special Child Care Benefit and must provide documentary evidence of the risk of harm circumstances or financial hardship circumstances. Eligibility varies according to whether the type of childcare service is Commonwealth or State funded and/or if the family is eligible for funding support through an early intervention service provider or statutory child protection service.

Child Care Benefit or Special Child Care Benefit are only available to Commonwealth funded services and are dependent upon application to the Australian Department of Education (formerly DEEWR). There is a rigorous assessment criterion. Centres are required to provide documentary evidence of risk of harm or financial hardship circumstances. Vulnerable children and families may be accepted into the service however the funding for the placement may only be short term. Should this funding be withdrawn, families may not be able to continue in the service.

Although a number of national and state-based early intervention initiatives (for example: Brighter Futures (NSW) and Best Start (VIC)) have been introduced to better support vulnerable children and their families during the early years, there is still much to be done to improve accessibility to services and effectively engage with families.

Child abuse and neglect has short and long-term human and social costs. There is ample research evidence to conclude that child development is compromised by disadvantage, and that early intervention for vulnerable children and families can reduce disadvantage and has significant social and economic benefits for society in the longer term (The Benevolent Society, 2013). However, to ensure that families most in need have access to and make better use of supportive child and family services, there needs to be a much greater level of collaboration in planning and delivery between different government departments and between government and non-government services and early childhood service providers.

► Regulation, quality and compliance

Young children are amongst the most vulnerable within our community, and have a right to safety, security and protection. Regulation, quality and compliance are central to ensuring this is achieved.

KU has been a long time advocate for, and supporter of, the National Quality Framework (NQF) as it provides a basis for quality, consistency and measurement across all Australian jurisdictions.

It is essential that consistent regulation and accountability are in place for all those working within the early childhood education and childcare space; however this is not currently the case. Some types of commonly utilised childcare services, such as private nannies, are completely unregulated. As a result, many children are being cared for without the most basic assurances of child safety and wellbeing, minimum care standards, or staff competency. This does not reflect the best interests of children.

It is KU's view that all providers of early childhood education and childcare services (including those currently out of scope of the NQF, and those currently completely unregulated) must be subject to regulation. Further, KU believes that all staff working in this space must meet some minimum standards relating to early childhood related qualifications, and child wellbeing and safety.

► The strength of the National Quality Framework

As previously outlined, KU is a committed supporter of the National Quality Framework (NQF) and the National Quality Standards (NQS). The NQF and NQS are based on a significant body of evidence regarding the benefits and importance of high quality education and care for young children, and were adopted after much consultation with the sector and the community.

Believing they represent a global benchmark for the provision of quality early childhood education, KU unreservedly supports the retention of the NQF, and the inherent NQS, in line with the agreed timeframes. This view is shared by a well known international expert who visited Australia last year.

“I am impressed with the comprehensiveness of the Australian National Quality Standards, and I look forward to sharing them with our early childhood colleagues world-wide. I think we can all benefit from what you have created with them.

Australia should be maintaining, and indeed building on, these standards. Any suggestion that implementation should be ‘slowed down’ or ‘rolled back’ would be sadly short-sighted and irresponsible”.

Dr. Lilian G. Katz (2014)
Renowned early childhood educator,
academic and author

KU acknowledges that, with the introduction of the NQF, additional costs have been incurred. There are also additional cost increases ahead as the NQF is fully implemented by 2020. However, we argue that neither cost, nor the impost of implementing the NQF, has been as onerous or costly as reported by some.

Given the lengthy notice period regarding the changes, KU was able to plan for and implement changes slowly over time. For example, KU implemented the improved staff to child ratios for babies (from 1:5 to 1:4) over a two year period; moving to 1:4 during core hours only in the first year, and full implementation in the second year. This approach enabled KU to lessen the impact the transition may have otherwise had on enrolment patterns, staffing changes and parent fees.

Families in KU centres have been overwhelmingly supportive of the changes required by the NQF.

KU believes that where providers take a planned approach to implementing the NQF, rather than waiting until the last minute, the impact on families and services is greatly reduced.

Based on the evidence, the implementation of higher staff qualifications, improved staff to child ratios and the roll-out of a consistent assessment and rating system, is already delivering higher quality educational programs and therefore better outcomes for children. These services that pride themselves on the quality of their program and practice are being validated by the individual service NQS results.

KU believes there is no place for suggestions that Australian children are not worth the effort or investment required by the reforms.

KU is concerned however, that a number of early childhood education and childcare service types remain ‘out of scope’. We are also aware that some jurisdictional inconsistencies continue to exist, such as different operational and funding structures related to implementing Universal Access and the ‘15 hours’ initiative, and the largely variable preschool fee structures currently in place across the country.

It is KU’s view that all providers of early childhood education and childcare services must be brought ‘within scope’ and consistently regulated as a matter of priority. Where they exist, inconsistencies between the States and Territories must be addressed to ensure access to quality early childhood education and childcare is fairer for all Australians.

KU also has no doubt that some changes can be made to the NQF to reduce administration and ‘regulatory burden’, however these changes do not relate to the planning and documentation of children’s learning, as this is the basic tool for all teachers (regardless of the setting or the age group with which they work).

► **Greatest barriers to access: availability and affordability.**

As outlined earlier, in our experience as one of the largest providers of high quality early childhood education and childcare, KU believes that availability and affordability are the two key drivers that ensure families are able to access high quality services of their choice.

For most parents, securing a place in childcare is a significant and stressful contributor to any decision regarding returning to work. Research suggests that whilst families consider educational quality factors (such as staff qualifications and experience, and a child's interests and needs) when seeking childcare, parents are often forced to choose the solution that most reduces the complexity they face in their lives (Noble 2007). Accordingly choices may be based on factors such as convenience, location, affordability and availability, rather than the child's individual needs or the educational quality offered at the service. This further highlights the importance of recognising the unique requirements of individual children, their family and their community.

These findings mirror the results of KU's own community survey conducted in 2012 ('What does Quality Child Care and Pre-School Education mean to you?'). Of the more than 700 respondents (primarily parents and carers), KU found that 85% were able to identify important indicators of quality in line with accepted sector expectations (such as staff qualifications, staff: child ratios, educational program and respectful and reciprocal adult: child relationships). Sadly, 91% of respondents described the accessibility of high quality services as being either 'difficult' or 'extremely difficult'. It is not surprising then, that more than half the respondents cited the 'the availability of a place' and/or 'fees' as the greatest source of difficulty, and as a result these factors were amongst the primary considerations when choosing childcare.

KU believes that this is symptomatic of the widespread supply and demand imbalances and the variance of fees charged within the early childhood education and childcare sector. Neither of these things are an indication of delivering the best educational outcomes for children.

- *Availability*

KU believes that it is essential for the Government to plan to ensure there are sufficient early childhood education and childcare places available to meet demand and to regulate the supply of places that are eligible to receive Government funding and/or subsidies.

The current policy levers encourage centres to be set up in areas where higher fees can be charged (and are therefore more likely to be viable/profitable). This demonstrably leads to oversupply in some areas and, perversely, as oversupply increases, utilisation decreases and viability reduces. It also means that providers are not encouraged to provide childcare in areas where there is demand, but the demographics mean that fees are unable to cover operating costs. The new funding model for preschools in NSW recognises this is an issue for disadvantaged communities and has therefore used the SEIFA rating of each location to determine the base funding for each child. This ensures that the most vulnerable and disadvantaged community receives higher base funding than a preschool operating in an affluent location.

Local government, although aware of the uneven and, in some cases, excessive and inappropriate expansion of early childhood education and childcare centres, is generally restricted by State and Territory planning laws from preventing services (of any type, not just childcare) from being established.

Efforts have been made to address this by some States and Territories; however the effectiveness of those efforts is questionable. For example, in Victoria all Councils are required to have an Early Years Development Plan relevant to the LGA and to use the plan to inform planning decisions, however denial of development approval for new early childhood education and childcare services on these bases is often overturned on appeal to the State.

State Government licensing authorities are also not permitted to refuse to grant a licence on the basis that this would lead to oversupply in an area. This lack of power in the face of obvious supply and demand anomalies is frustrating for providers, local government and regulatory authorities alike.

However the early childhood education and childcare market is now mature and there is no reason not to reintroduce a planning model that directs funding to providers, and restricts or denies funding to new services where need cannot be demonstrated.

As previously outlined, consideration must also be given to policy settings which will ensure not-for-profit organisations, which routinely fund the continued operation of services in disadvantaged areas of high need through cross subsidy arrangements, are able to continue to access and operate financially viable services, in order to generate the surpluses necessary to ensure the cross-subsidised

services can continue on an ongoing basis. Not-for-profit services have a strong history of support for disadvantaged communities and vulnerable children, and organisations not large enough to cross subsidise from other more viable services may need additional government support.

- *Affordability*

KU has already cited some of our experience regarding the growing pressure that affordability of high quality early childhood education and childcare is having on families, particularly around the decision whether or not it is financially 'worth it' for parents to work and/or use early childhood education and childcare.

Over recent years, KU has conducted multiple trials of fee reductions, to assess the impact that fee affordability has on participation rates/utilisation. Our experience tells us that in lower socio economic areas, affordability is absolutely the greatest barrier to access, and that when fees are low, utilisation increases.

Any discussion about affordability must observe that there are two key factors which determine the affordability of early childhood education and childcare; income levels and price (fees). It is in fact the 'gap' between the fee and the income level that determines affordability, rather than the fees or income level alone.

This is evidenced by KU's increasing awareness in some 'middle income' and affluent areas, where families are electing to use fewer days of care, or are choosing to mix high quality education with cheaper, non-education based childcare services due to an inability to meet the full cost of educational services.

Having witnessed this increasing lack of affordability across a range of income levels, KU believes that any targeting of funding to improve affordability should take both income levels and price (fees) into consideration.

Of course, affordability of fees is a key driver of service viability, so when fees must be lowered to meet the market's capacity to pay (such as in lower income areas) individual services become increasingly financially unviable. Perhaps more concerning is that when this situation begins occurring in areas that have traditionally supported viable, surplus generating services, the ability for not-for-profit organisations like KU to cross subsidise services in disadvantaged areas is reduced.

There is a very real concern that, in the future, early childhood education and childcare will simply price itself out of the market. There is also likely to come a time when early childhood education and childcare is only available to the wealthy, and not-for-profit providers such as KU will cease to be able to provide services in the very areas that need them most. KU believes that in some areas we are already close to reaching that point.

- ▶ **Staffing**

KU recognises that high quality staff are the cornerstone of a quality early childhood education and childcare experience. KU's position as an employer of choice, offering sector leading wages and benefits, is well documented.

This position and approach has insulated KU somewhat from some of the staffing challenges that have plagued other providers in recent years. For example, KU's longstanding commitment to the employment of university early childhood qualified teachers to lead and deliver our pedagogical programs, meant that the need for teachers in all services required by the NQF, had little impact on KU.

Whilst KU has always enjoyed loyalty and long service from our staff, we are well aware of the chronic shortage of university qualified early childhood teachers and qualified educators both within and joining the sector. This is a concerning trend, particularly as evidence suggests that new graduates entering the sector are less likely to remain in any particular job, or sector, for as long as their predecessors.

If the sector is to be sustainable in the future, action is required to attract new staff into the profession, and to provide them with incentives to stay. Such strategies may include:

- Improving the status and standing of early childhood teachers by aligning them more closely with their colleagues in schools through teacher registration, best and targeted use of teacher skills and commensurate remuneration.
- Providing subsidised professional wages for all qualified educators within the sector.

KU also believes that we must ensure that the specialist skills and expertise that university qualified early childhood teachers bring to an early childhood setting, are being recognised and utilised to maximise their skills and expertise in the most appropriate way. That is, to provide pedagogical leadership through planning, leading and delivering intentional play-based education programs.

Teachers are a highly effective (and costly) specialist resource; they are deliberate, purposeful and thoughtful in their decisions and actions. If we are committed to enabling teachers to bring the greatest level of benefit to the service, in the most cost effective way, every effort should be made to ensure that they are able to work directly with children as much as possible.

KU has raised concerns regarding the calibre of graduates currently emerging with various early childhood qualifications from a variety of training institutions. Particularly concerning is the lack of specialist early childhood education knowledge and skills, that reflect an understanding and ability to draw upon a rich repertoire of pedagogical practices to promote children's learning. The key elements we believe are contributing to this include:

- KU feels strongly that lower entry levels must not be used as a mechanism for attracting more teachers, as it has the potential to undermine the sector's efforts to achieve quality-based goals in the longer term. There should be greater emphasis placed on the importance of teachers working with children from birth to five, the most important years for brain development and influence on the formation of children's identities and disposition to lifelong learning. We need to attract insightful and intelligent people to the profession as their work with children shapes and informs our future generation.
- The requirement for teacher registration in NSW for teachers entering primary schools has impacted on the early childhood education courses that traditionally covered the birth to eight age groups. Many universities have now expanded their early childhood education courses to cover from birth to 12 years to accommodate the primary school units required for teacher registration. This ensures that new graduates who choose to work in schools meet the requirements; however, these added units have resulted in less in-depth specialist units vital to the understanding of young children's development and learning in the first five years of life. KU supports the registration of teachers practising in the birth to five sector, based on a set of agreed teaching standards and reflects the NQS and the Early Years Learning Framework (EYLF).
- With the expansion of courses to cover birth to 12 years, there is a greater need for student teachers to gain experience in settings to cover all these age groups and we are seeing fewer and shorter professional experience placements in prior to school settings.
- In addition to the focus on pedagogical leadership, in the birth to five courses, there is a strong need to also embed units of study into courses that focus on business leadership to better equip the graduates to understand not only teaching, but working with a variety of adults and the complexity of potentially managing a service.
- The emergence of a large number of low quality private providers of early childhood qualifications (particularly Certificate III and Diploma), offering 'fast and cheap' training courses with limited practical content and/or work placement. In addition, the current training packages used by these RTO's do not fully reflect the current pedagogy and practice and how we view the child as confident and capable. This, coupled with a 'tick box' assessment process is having a detrimental effect on the profession. It is KU's experience that often graduates from certain RTO's require further training and professional learning to fully satisfy the requirements of a role as a childcare educator. As such, students are graduating without adequate knowledge and preparedness for working in early childhood settings.

KU welcomes recent reports that greater scrutiny will exist for such providers and courses in future.

► **Relationship between Early Childhood Education and schools**

KU strongly supports research that suggests that early childhood education should not be based on an extension or 'push down' of the primary school curriculum, and are pleased that the importance of play-based learning has been recognised and embedded within the NQF and EYLF. Dr. Lilian G. Katz talks extensively about the importance of recognising play-based curriculum and that we must resist the temptation to start children on the third floor!

It is surprising however, how often parent perceptions of 'school readiness' are based on measures of academic skill (such as reading and writing) rather than positive dispositions and emotional and social preparedness. In a sector that encompasses such a wide range of educational and childcare settings (with varying levels of educational content); KU believes it is essential that parents are assisted to develop realistic and appropriate expectations of school readiness. Schools also have a responsibility to be 'ready for children'.

Currently there are inconsistencies between the way, if at all, a child's transition to school is documented, communicated with families and shared with schools. This is particularly evident when comparing the process in different States and Territories, and between the different service types.

KU believes that the implementation of a consistent framework for managing children's transition to school (incorporating Transition to School Statements) will further evidence and enhance the consistency of learning outcomes delivered by the NQF, but will also assist in normalising the preconceptions of families about this important milestone in a child's life.

Ideally Transition to School Statements would be prepared within a teacher-led early childhood education setting by a qualified educator. This process needs to be fully resourced to ensure educators have adequate time to complete the process.

► **Rural and remote**

Early childhood education and childcare fee levels are generally considered to be lower in rural and remote communities. In KU's experience, this is primarily reflective of the local demographics, income levels and capacity to pay, rather than a reflection of lower operating costs.

Staff costs in KU services average approximately 83% of the operational budgets. As staffing requirements and wage rates are consistent across all geographic areas, the standard staffing model cost for a KU service is, in turn, quite consistent. When combined with lower income levels as a result of lower fees, along with smaller enrolment numbers as a result of smaller population bases, rural and remote services can be faced with significant financial challenges.

The additional cost of attracting and retaining staff in these locations may also have an impact on operational budgets and service viability.

KU operates a number of services located on primary school sites, and have observed the positive influence this co-location of services can have on community engagement levels, responsiveness to local community needs, and overall centre viability. It also has great benefits for children as the transition to school process is much smoother, particularly when the ECE service and the school have formed close relationships and mutual respect. It is KU's belief that where rural and remote communities are large enough to sustain a primary school, that site should be identified and utilised as an ideal site for early childhood education and childcare services.

► Funding

● *Complexity*

It is important to recognise that for both parents and providers, the early childhood education and childcare sector spans the full range of services currently available to meet the education and childcare needs of families. This includes services that receive funding from the Commonwealth (such as long day care and family day care) and/or the States (such as preschools and kindergartens), along with other services families may tap into that are unfunded (such as nannies).

In every jurisdiction we see a complex variety of funders and funding structures at play across the diversity of services available to families. This complexity has bred inconsistency between service types, and between States and Territories.

As KU provides and supports services on the eastern seaboard of Australia, it has become evident that different State and Territory Governments place varying levels of priority on the importance of early childhood education and childcare. This creates further inequity and complexity. In some instances funding is directed to services, in others it is provided directly to families, and in others funding is brokered and/or administered by other agencies.

Parents tell us that the complexity of the funding system/s makes it difficult to compare the different fees and affordability of different services available to them. Additionally, the division between State and Commonwealth funded services makes it difficult to access a single source of information.

In many cases, particularly Commonwealth funded programs, the volume and complexity of paperwork required to access and/or retain funding is onerous. This creates added inconvenience to all families, and further disenfranchises vulnerable families for whom navigating bureaucratic processes and lengthy forms is more likely to be challenging.

Some funding or subsidy payments are made retrospectively, leaving families or providers out of pocket. This further disadvantages the most vulnerable families, and threatens the viability of providers who take steps to ease that burden on families.

Parents want a funding system that recognises all the different services available to them, is easy to compare, navigate and choose the services that most suit their needs. Most importantly, they want a funding system that ensures this vital community service is affordable.

KU believes this can only truly be achieved through a 'one pot' funding model, where a single layer and Department of Government is responsible for funding the entire early childhood education and childcare sector. This would have the added flow-on effect of reducing administrative processes, 'red tape' and cost.

Additionally KU believes funding should be structured to ensure that it:

- Prioritises the delivery of those childcare services offering quality, intentional, educational programs, delivered by a qualified early childhood teacher.
- Supports fee structures that recognises the need for a range of services, however incentivises participation in those services offering quality, intentional educational programs, delivered by a qualified early childhood teacher.

● *Child Care Rebate*

Continued failure to adjust the Child Care Rebate (CCR) in line with cost of living increases means the gap between the costs of service provision and funding will also increase. In turn this increases the proportion of (continually rising) childcare fees parents are expected to pay. Ultimately the failure to index the CCR embeds and exacerbates the unaffordability of fees.

The cap on CCR creates a disincentive for greater participation in the workforce. Essentially, the more days a parent works, and requires childcare, the more likely they are to reach the annual CCR cap mid way through the year. If at that point, early childhood education and childcare services become unaffordable, families are often forced to reduce the number of days worked to match the number of days for which they can obtain subsidy.

Paying the CCR directly to families has created an 'invisible funding' phenomenon. That is, parents still have a perception that they are paying the full fee, when in fact those fees are subsidised through the CCR. This makes those services seem more unaffordable than they actually are, and adds to confusion about how much childcare actually costs.

KU believes all funding should be provided directly to providers to reduce the upfront fees for families. Providers must be held accountable for the appropriate use of these funds.

- *Targeting funding*

It goes without saying that 'all things are not equal' in the provision of early childhood education and childcare:

- Some types of services are more expensive to operate than others. For example, those services which offer an intentional, teacher-led educational program are more costly than those where the focus is on childcare alone.
- Including particular groups of children within a service is more costly, such as care for birth to 2 year olds, or children with additional needs.
- Operating services in rural and remote locations is generally less viable than operating services elsewhere.
- Both the average income levels of families and the cost of providing care varies greatly in different areas.

KU believes that funding should be targeted and prioritised to address these differences, ensuring the cost of accessing quality early childhood education and childcare is accessible to all children.

In principle, KU does not object to the means testing of funding in an effort to improve the affordability of early childhood education and childcare for those who need it most. However, consideration must be given to both components of affordability; being income and price (fees). In some areas of our community (such as CBD areas in most States and Territories) which boast higher income levels, fees are disproportionately higher than the income levels in those areas.

- *Changing cost structures*

Staff costs are overwhelmingly KU's largest area of expense within the provision of quality early childhood education and childcare. These costs are consistent across services regardless of a service's location or ability to generate revenue, and are continually increasing over time.

KU is a strong advocate for the move towards professional wages, and the implementation of higher qualifications and improved staff ratios, as these are important elements in ensuring quality for children and sustainability of the sector. In recognising the essential nature of those initiatives, and the long term societal value they will deliver, the Government must also ensure funding reflects the increasing cost.

Accommodation (leasing) costs are another significant and increasing expense for KU. The vast majority of KU services operate from leased premises owned by local Councils, churches or Government Departments. Like many other not-for-profit providers, KU has historically enjoyed peppercorn or heavily subsidised rents in most of our properties. However as Councils and other landlords are under increasing pressure to achieve greater return on their assets, KU is experiencing a push towards lower rent subsidies and commercial rents, particularly in areas which have high land values. This trend is undermining the viability of individual services, and reduces the ability for not-for-profit organisations like KU to generate the surpluses required to cross subsidise less viable services in areas of high need.

The investment of operational and capital funding is one of the measures through which Governments can ensure that not-for-profit organisations are continually able to access and operate high quality services, particularly in areas which will generate the surpluses/profits required to enable cross subsidisation.

- *Funding inclusion*

The current Inclusion Support Subsidy (ISS) is a contribution to the cost of employing an additional educator (currently \$16.92 per hour for a time limited period per day) to support children with additional needs. The service which employs the educator must fund the 'gap' between the actual cost of employing the educator and the ISS subsidy. It often also generates additional administrative burden as providers attempt to identify supplementary funding sources. This can be financially unviable for some services, and is a large financial disincentive to enrol children with additional needs for services.

This gap for KU as a service provider is approx \$250,000 per year. This 'gap' has been growing larger over the 6 years the current ISS funding system has been operating, as the wage cost indexation of 1-1.5% pa recognised by the Government is well below the average annual award wage increases of 3-4%, thus increasing the financial hardship for services who include all children.

A significant number of parents of children with additional needs enrolling in KU services report having been turned away from other providers, or asked to pay the 'gap' themselves. This scenario places more demand for places, and greater financial burden on those services which do actively support the enrolment of children with additional needs.

KU firmly believes that the additional cost of employing additional educators to facilitate the inclusion of children with additional needs should be funded in full, not borne by either the provider or parents.

- *Funding additional service types*

Some types of commonly utilised childcare services, such as private nannies, are currently unfunded and completely unregulated. As a result, many children are being cared for without the most basic assurances of child safety and wellbeing, minimum care standards, or staff competency. This does not reflect the best interests of children.

It is KU's view that whilst there may be a place for these services within the sector, all providers of early childhood education and childcare services (including those currently out of scope of the NQF, and those currently completely unregulated) must be subject to regulation, quality standards, and that staff must meet some minimum standards relating to early childhood related qualifications, and child wellbeing and safety. In keeping with this position, it is fair to assume that these services, having met appropriate regulatory and quality standards, may attract some level of funding.

As previously stated, KU believes that funding should recognise the need for a range of services, however prioritise those services offering intentional play-based curriculums, led by a university qualified early childhood teacher. This position is based on both the greater benefits those programs deliver (that is, both educational and childcare outcomes), and the higher cost of delivering those services.

- ▶ **Learning from international models**

KU does support the ongoing evaluation of international models and believes there are lessons to be learned from the global early childhood education landscape, such as the Nordic countries where the importance of the early years is valued by whole societies and supported by Government. However KU firmly believes that any strategies, programs or service models adopted for use in Australia, must be adapted and re-evaluated for the Australian cultural, social and political context.

For example, KU has commissioned the writing of a Training Package based on the Marte Meo Program, a developmental support program developed by Maria Aarts in the Netherlands. The central focus of Marte Meo, is to encourage people to use 'their own strength' to advance and stimulate developmental processes on the part of children, parents, professional caregivers and supervisors, and thus learn to utilise their capacities to the optimum. This Training Package will be the first training material developed, from the Marte Meo international model, into the Australian context and using examples and documentation from KU early childhood settings.

Similarly, KU has adopted the Early Start Denver Model (ESDM) for working with children with Autism. Previously this model, originating from the United States, had only been used in clinical settings, and KU has been working with the developers to adapt the model to the Australian context, and more specifically, to early childhood education play-based settings.

In both cases, the results are proving highly successful.

3. A new vision for early childhood education and childcare

KU believes that to best meet the childcare needs of parents whilst ensuring the educational and learning outcomes for children remain a social and policy priority, the Government must:

- Plan for, regulate and fund a variety of early childhood education-based services, plus a range of ancillary and/or integrated childcare services, to better meet the highly variable needs of modern working families.
- Continue to prioritise the provision of, and participation in, those services providing high quality teacher-led early childhood educational programs, based on the evidence that these services deliver greater social and economic returns.

KU proposes a new structure for the early childhood education and childcare sector in order to achieve this.

KU's view is that a range of services must be recognised and funded appropriately to assist in meeting the early education and childcare needs of families. KU believes these services might include all the services currently within the scope of the NQF, and some services currently funded by Government but not yet 'in scope'. Additionally KU believes that other service providers, such as Nannies, may also play a role in meeting the childcare needs of families.

► Structure Outline

KU proposes a three tier system of classification for all early childhood education and childcare services. Classification is based on the level of educational content, and the type of setting/environment within which the service is provided.

Funding structures would also be realigned to reflect the three tier classification.

Core Early Childhood Education Services

- Defines any centre based service providing an intentional play-based curriculum delivered by a university qualified early childhood teacher for a core component of the day, within a group setting.

This would include all long day care and preschool/kindergarten services.

Childcare Services

- Defines any childcare service that does not include an intentional play-based curriculum led by a university qualified early childhood teacher, but is delivered by a qualified, registered and regulated educator in a group setting.

This would include family day care, occasional care, vacation care and out of school hours care.

Supplementary Care Services

- Defines any in-home childcare service that does not include an intentional play-based curriculum led by a university qualified early childhood teacher, but is delivered by a qualified, registered and regulated carers.

This would include nannies or in-home carers.

► Rationale

The proposed structure aims to:

1. Recognise that a variety of early childhood education and childcare services to meet both the educational needs of children and the childcare needs of families.
2. Incentivise the delivery of those services offering quality, intentional, play-based curriculum, delivered by a qualified early childhood teacher. This could be achieved through:
 - a. Provider-targeted funding and/or subsidies that reflect the higher costs of delivering teacher-led models; and
 - b. Enabling providers to offer core educational teacher-led programs within the context of long day care settings, in a more cost effective way.
3. Improve access for families to quality childcare services, whilst encouraging them to prioritise those with core educational programs, proven to deliver better outcomes for children. This could be achieved through:
 - a. Facilitating fee structures which make teacher-led models more accessible and affordable (a by-product of the provider-targeted funding recommended above); and
 - b. Improved parent-targeted communication aimed at assisting parents to understand the significantly improved outcomes experienced by children attending these service types.
4. Improve the status and standing of early childhood teachers by directing teaching skills towards the delivery of specialist, intentional play-based curriculums for a core component of the day (rather than for a full 10 or 11 hours in long day care). This recognises the need for children in LDC for long hours to have a variety of experiences throughout the day, rather than being 'educated' for the full 10 to 11 hours.

► Funding assumptions

- The Government must ensure that funding an expanded range of services does not impact on the viability of existing funded services.
- KU proposes a tiered funding system in line with the three tiers of services outlined earlier, with a 'higher than standard' level of funding being directed towards Core Early Childhood Education Services in recognition of the educational and societal outcomes delivered, and the higher cost of delivering those services. Similarly, a 'lower than standard' level of funding would be directed towards Supplementary Care Services which do not include a core educational program or require the provision of a venue.
- In the Supplementary Care classification, only services that see a staff member/s having 'sole care and responsibility' for children in their care, are eligible for Government subsidy or funding. That is, Au Pairs or Mothers' Aids assisting with other household chores and/or providing additional 'childcare assistance' to a parent who is still responsible for the child at that time, will not be eligible for funding.

► Quality and staffing assumptions

- The NQF and NQS is retained and all existing qualification and staffing requirements would remain for all services classified as Core Early Childhood Education or Childcare.
- All staff in any service that is eligible for Government subsidy or funding must hold qualifications in early childhood education (minimum Certificate III) depending on the service type.
- Any services that are eligible for Government subsidy or funding must fall within the scope of the NQF and therefore be subject to licensing/registration, and other regulatory requirements, however classification-specific standards may apply.

- In addition to early childhood education qualifications, all staff in any service must meet minimum Child Safety and Wellbeing standards (first aid, anaphylaxis and Working With Children clearance).

4. Summary of recommendations

Putting children first

KU recommends that:

1. The educational rights and best interest of children are considered first and foremost in all policy and funding decisions, and in the provision of early childhood education and childcare services.
2. The early childhood education and childcare sector be awarded the same status and standing as other sectors in the Australian educational landscape, such as primary, secondary and tertiary education.

Quality

KU recommends that:

3. The NQF be retained, and fully implemented in accordance with the agreed and documented timelines.
4. All funded early childhood education and childcare services currently 'out of scope' move 'in scope' as a matter of priority, and that any new/additional services to be recognised and funded also fall 'in scope'. Different Standards may be required for different classifications of services.
5. KU's proposed three tier system of classification and funding for all early childhood education and childcare services is implemented. Classification is based on the level of educational content, and the type of setting/environment within which the service is provided.
6. Minimum standards for any staff working directly with children in early childhood education and childcare services must include:
 - ECE qualifications (minimum Certificate III, and higher where required by the NQF)
 - Child safety and wellbeing (first aid, anaphylaxis and Working With Children clearance)
 - Registration and regulation

Improving access

KU recommends that:

7. It is acknowledged that the affordability and availability of early childhood education and childcare services are currently the greatest barriers to access throughout Australia, and that this must be addressed. This understanding must underpin all policy and funding decisions.
8. It is acknowledged that the educational and societal benefits of quality early childhood education and childcare are greater for vulnerable children, and that these children may need additional support to access those services.
9. A single, central Supply Planning and Control body be established to ensure:
 - There are sufficient early childhood education and childcare places available to meet demand;
 - Supply of new childcare places that are eligible to receive Government funding and/or subsidies is monitored, and restricted where a need cannot be demonstrated; and
 - Service provision is encouraged and occurs where it is needed most, such as in low socio economic areas, and vulnerable communities.
10. The delivery of innovative planning, investment and service delivery models (such as the community/corporate hybrid model) by not-for-profit providers, particularly in viable/affluent areas, be encouraged and facilitated by the Government.

11. School sites are recognised as ideal locations for the placement of early childhood education and childcare services, and that land be made available to facilitate the expansion of these services.

Staffing

KU recommends that:

12. The status and standing of university qualified early childhood teachers be improved by aligning them more closely with their colleagues in schools through:
 - Teacher registration;
 - Best use of teacher skills, including a focus on the delivery of an intentional, play-based curriculum during core hours of the day in long day care environments; and
 - Commensurate remuneration.
13. The status and standing of early childhood educators be improved through:
 - A requirement for ongoing professional learning and training; and
 - The provision of professional wages.
14. Appropriate minimum standards apply for entry into all Bachelor level early childhood education teaching courses.
15. Bachelor level early childhood education teaching courses, including practical placement requirements, retain an adequate level of focus on working with children aged from birth to five years.
16. A mechanism is developed for the regulation of all training providers offering courses in early childhood education, to ensure appropriate levels of quality training.

Funding

KU recommends that:

17. Greater overall investment in early childhood education and childcare be made by the Government.
18. A 'one pot' funding model be adopted, where a single layer and Department of Government is responsible for funding the entire early childhood education and childcare sector.
19. Funding be structured to ensure that it:
 - Recognises the need for a range of early childhood education and childcare services;
 - Prioritises, through higher levels of funding, those childcare services offering an intentional, play-based curriculum delivered by a qualified early childhood teacher; and
 - Fully supports the cost of including vulnerable children and children with additional needs within early childhood education and childcare services.
20. Funding be provided directly to providers to reduce the upfront fees for families. Providers must be held accountable for the appropriate use of these funds.
21. Caps and indexation freezes on early childhood education and childcare funding and rebates designed to reduce fees be removed.
22. Private, publicly listed providers be ineligible to receive Government funding and subsidies, to ensure public funds are not passed on to shareholders as profits.
23. The 'available funding envelope' should be expanded beyond the current Commonwealth budget for Early Childhood Education and Childcare to include any/all funding sources related to the scope of the Inquiry.

24. Parents electing to return to work within the first 24 months of a child's life should be able to redirect their entitlements under the Government's proposed Paid Parental Leave scheme, into childcare subsidies.
25. Any means testing of funding and rebates recognise the 'gap' between the childcare fees and parent income, rather than the fees or income level alone.
26. Existing employer incentives to provide work-based childcare be reviewed and restructured to support a broader range of childcare-related workforce participation initiatives, including flexible working arrangements, employer sponsored childcare arrangements, and investment in early childhood education and childcare social ventures.
27. Capital grants be made available to not-for-profit providers for the purpose of establishing new joint commercial/community social venture services, and assist in generating surpluses required to cross-subsidise unviable services in areas of high need.

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