



**WESTERN AUSTRALIAN GOVERNMENT  
SUBMISSION**

**TO THE PRODUCTIVITY COMMISSION'S INQUIRY INTO  
CHILDCARE AND EARLY CHILDHOOD LEARNING**

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## **Executive Summary**

This submission provides the Western Australian Government's response to the Productivity Commission's Inquiry into Childcare and Early Learning. The submission incorporates information from a range of agencies including the Department of Local Government and Communities, the Department of Education, the Departments of Health, Planning, Training and Workforce Development and the Disability Services Commission.

The submission provides responses to the various questions posed by the Productivity Commission and makes recommendations, as appropriate. A Summary of Recommendations is provided.

In Western Australia, the Department of Local Government and Communities (DLGC) has primary responsibility for the regulation of education and care services under the National Quality Framework, including approval, monitoring and quality assessment. The Department of Education has responsibility for the provision of pre-school services to children the year before full-time schooling, through the schooling sector.

A key driver underpinning Western Australia's response are rural and remote issues and how this impacts in a number of areas for parents, families, education and care service providers and State funded services, including pre-schools.

There are nine recommendations in the areas of:

- funding – continuation and new funding
- Child Care Benefit and Child Care Rebate
- inclusion of support services for children with additional needs
- staffing, including rural and remote areas and qualifications.

The submission is divided into seven sections commencing with a short introduction and a discussion on the model of pre-school in Western Australia. This is followed by the sections identified in the Inquiry Issues Paper:

- demand and expectation of childcare and early learning services
- availability and cost of childcare and early learning services
- government regulation of childcare and early learning
- government support for childcare and early learning.

# Western Australia's context

## Geographic Diversity

Western Australia covers almost one-third of the Australian land mass and is approximately 92 per cent of the entire eastern seaboard States. The size of the state and the distribution of the population results in Western Australia having some of the most unique challenges for the delivery of education and care services. Nearly 75 per cent of Western Australia's population is located in the metropolitan area. Therefore, close to 25 per cent is spread across some 2.5 million square kilometers.<sup>1</sup>

The achievement of equity is particularly challenging in Western Australia as a result of its geographic diversity. The state's profile essentially creates an environment that is inherently inequitable and not conducive to a one size fits all approach.

Attraction, retention and recruitment of quality staff to work in many of these rural and remote locations is significantly more costly and difficult because the lifestyle is not as attractive and conditions for other employees, in other industries, in some regional areas are superior.

## Aboriginality

With the exception of the Northern Territory, Western Australia has the highest proportion of Aboriginal persons in Australia at 3.8 per cent. Meeting the specific needs of Aboriginal families and providing appropriate education and care services is an important consideration for Western Australia.<sup>2</sup>

## Population Growth

Over the period 2011–2026, Western Australia's growth is predicted to be the second largest in Australia with an increase of 42 per cent. This growth is significantly greater than the 29.6 per cent increase anticipated in Australia's overall population.<sup>3</sup>

The consequences of population growth exist in all states and territories and include the adequate provision of early education and care services. In this context Western Australia is faced with the challenge of not only removing inequities in regional areas but ensuring continuity of services.

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<sup>1</sup> Australian Bureau of Statistics, Regional Population Growth, 2009-10 Australia Cat. 3218.0

<sup>2</sup> Australian Bureau of Statistics, 2010 Population Characteristics, Aboriginal and Torres Strait Islander Australians, Australia, 2006 Cat4713.0.55.001

<sup>3</sup> Australian Bureau of Statistics, 2008 Population Projections 2006-2101. Cat 3222.0

## Summary of Recommendations

It is recommended that the Productivity Commission:

### **Recommendation 1**

Examines how funding provided to States for pre-school (the year before full-time school) can be included as additional education funding, with consistent per capita base allocations and equity lines as will apply for school funding. This will remove the current inequities whereby different funding arrangements apply according to the different models of delivery that prevail in each state or territory.

### **Recommendation 2**

Examines the potential for attracting high quality education and care staff through current funding mechanisms (subsidies, rebates, tax deduction), to offset the challenges of living and working in rural and remote locations.

### **Recommendation 3**

Investigates changing the current operational requirements—being a minimum of 40 hours per week, for 48 weeks a year—to support workforce participation.

### **Recommendation 4**

Examines the feasibility of extending the access to support services provided by the Inclusion and Professional Support Program (IPSP) to services (other than those eligible for Child Care Benefit (CCB)) where children with additional needs are enrolled.

### **Recommendation 5**

Advises on how the regulation of Early Childhood Education and Care (ECEC) services can better articulate with school regulation, especially where pre-school is delivered through the schooling sector. This includes teacher registration, school registration and quality assurance, and national curriculum requirements.

### **Recommendation 6**

Reiterates the importance of continuing with the Early Years Development Workforce Strategy of fee waivers for the Early Childhood Diploma.

### **Recommendation 7**

Undertakes a review of the CCB and Child Care Rebate (CCR) schemes with a view to creating a simpler more streamlined system that offers greater financial support to families. It is important to ensure that strategies developed to increase affordability result in genuine cost savings for families.

**Recommendation 8**

Advises the importance of In-home care service providers meeting the same regulatory requirements as other ECEC services. This should not result in funding being directed away from supporting services that families currently use.

**Recommendation 9**

Reiterates the importance of continuing the National Partnership on Indigenous Early Childhood Development (NP IECD) operational funding after the current agreement expires in June 2014.

## **Background**

The West Australian Government welcomes the opportunity to provide input to the Productivity Commission's Issues Paper on Child Care and Early Childhood Learning. The Government is fully committed to the provision of early childhood education and care services and the implementation of the National Quality Framework (NQF).

The Western Australian Government is a signatory to the Council of Australian Governments National Partnership Agreement (NPA) on the National Quality Agenda (NQA) for Early Childhood Education and Care.

The NQF provides for legislation based on national quality standards, the establishment of a jointly governed national body, a nationally consistent assessment and rating system and a state based, nationally consistent approvals system. This replaced the previous separate state based licensing system and the national quality assurance processes operated by the Australian Government.

In Western Australia, the Department of Local Government and Communities (DLGC) has primary responsibility for the regulation of education and care services under the NQF, including approval, monitoring and quality assessment. The Department of Education has responsibility for the provision of pre-school services to children the year before full-time schooling, through the schooling sector.

High quality education and care contributes to positive health, family and economic outcomes. It boosts academic achievement, school completion and higher education rates. Regulating education and care services improves the quality of education and care provided to children attending services. The majority of services in Western Australia are regulated under the NQF; a small number continue to be regulated under state-based regulation.

## Variable use of Key Terms

Throughout the issues paper, the terms ‘childcare’ and ‘early childhood learning’ are used as interchangeable (and sometimes complementary) terms. The paper also uses the terms ‘early childhood education and care’ and ‘early childhood services’. It is unclear whether the use of these terms is intended to mean something different in each case, or if they are used as alternative terms that mean the same thing.

Under the *Education and Care Services National Law (WA) Act 2012* “child care” services are described as education and care services and this term will be used to define those “child care” services offered outside of the school-based pre-school programs. They operate in parallel with (and complement) the education and care services provided by schools.

In Western Australia, ‘early childhood learning’ is considered a key outcome of children’s experiences in the home, in education and care services and in schools. It is also clear that ‘early childhood education’ and ‘pre-school’ both mean the same thing in accordance with the National Minimum Data Set (NMDS) and that ‘early childhood education and care’ refers to services provided to children to the age of eight years, so necessarily include education and care services and school provision.

‘Kindergarten’ in Western Australia (the year before full-time schooling) is provided through the schooling sector and is regulated through the *School Education Act 1999* (the SEA). Under the SEA, all four year old children are entitled to enroll in Kindergarten at a public school, free of compulsory charges. In addition, all Catholic and most independent schools offer Kindergarten, with 75 per cent of the cost of provision funded by the State.

Due to significant State investment over many years, universal access to Kindergarten has been a reality in Western Australia since 1995 and participation is normalised with 31,858 (approximately 98 per cent) of four year olds enrolled in Kindergarten at a public or non-government school in 2013. A further one per cent of four year old children access pre-school through a long day care service. This solid universal platform necessarily includes all Aboriginal, disadvantaged and vulnerable children.

# 1 Introduction

The best interests of children and their families are a central consideration when developing ECEC systems. This will lead to significant benefits for the Australian society and economy.

Early learning not only supports the development of cognitive, social, emotional and motivational skills, but also drives later learning and achievement, which in turn contributes to the ‘human capital’ that underpins the economic well-being of the broader community<sup>4</sup>.

Research clearly identifies the important role that quality early childhood services play in supporting positive outcomes in childhood and in later life, and in supporting workforce participation of parents.

Before addressing specific items listed in the Scope of the Inquiry, Western Australia wishes to make the following broad comments relating to pre-school

## 1.1 Models of Pre-school

The school-based model of Kindergarten provision in Western Australia has shaped the approach taken to implementation of the National Partnership on the National Quality Agenda for Early Childhood Education and Care (NP NQAECEC). Specifically, schools that offer Kindergarten must meet the NQS but are not subject to the legislation or the regulatory procedures of the NQF. Rather, compliance with the NQS in schools is quality assured through school regulatory procedures under provisions of the SEA. This enables Western Australia to ensure national comparability of program quality in Kindergarten without duplicating the regulatory burden for school administrators and their early childhood staff. It also enables use of the NQS to leverage program quality across the early years of schooling to the end of at least Year 2 when children reach the age of eight years (which coincides with the international definition of ‘early childhood’).

It is important to note that Western Australia’s school-based approach to pre-school provision is the model that has evolved in a majority of states and territories across Australia. This is illustrated in Table 1, which is copied from the *2010 Annual Progress Report of the Evaluation of the National Partnership on Early Childhood Education* prepared by Urbis.

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<sup>4</sup> Heckman, J (2000) as cited in Price Waterhouse Cooper 2011 report: *A Practical Vision for Early Childhood Education and Care*

**Table 1 – Models of pre-school provision in Australia**

<b>Model 1: Government Model</b> (WA, SA, Tas., ACT & NT)	<b>Model 2: Non-Government Model</b> (NSW, Vic. & Qld.)
The state/territory government owns, funds and/or delivers the majority of pre-school services.	The state/territory subsidises pre-school programs that are provided by non-government organisations.
Pre-schools are treated in much the same way as primary and secondary schools.	Pre-school programs delivered in Long Day Care (LDC) centres charge some fees and attract Australian Government funding through the CCB and CCR.
The state/territory may provide supplementary funding to pre-schools, but generally not to pre-school programs delivered in LDC centres. These services attract Australian Government funding through the CCB and CCR.	Under this model, the state/territory government owns less than 20% of pre-school programs and these services are generally targeted at disadvantaged communities. This is in contrast to government schools, which are comprehensive.

In relation to Table 1, Western Australia wishes to draw attention to the inequitable application of CCB/R support from the Commonwealth for pre-school provision across the two models: the school-based ‘government’ Model 1 is specifically excluded from CCB/R support. In a paper prepared by the Australian Government late in 2012 to inform post-NP ECE negotiations, it was reported that the Commonwealth spends approximately \$300 million per annum through CCB/R for pre-school provision in childcare services. Almost none of this funding comes to Western Australia to support pre-school provision. Nearly all of it goes to the three Model 2 states. A related inequity is that professional support provided by Commonwealth-funded Professional Support Coordinators (PSCs) is not available for Model 1 pre-school provision, but is available for Model 2.

The inequity regarding Australian Government expenditure on education and care services across states and territories is clearly illustrated in Figure 3.15 of the Report on Government Services (ROGS) 2014 which shows that Australian Government expenditure on ECEC services per child is lower in Western Australia than in any other jurisdiction (\$1,002 per child in 2012–13 compared with a national average of \$1,426). In contrast, Figure 3.16 shows that the corresponding level of Western Australian Government expenditure was second only to the Northern Territory, and was more than double the national average (\$664 compared with a national average of \$326). These results highlight that, in Western Australia, pre-school provision for four year olds is mainly funded by the State Government whereas, in States where

pre-school provision is part of the childcare sector, the Australian Government provides a substantially larger share of funding for pre-school through CCB and/or CCR which are exclusive to the childcare sector.

In Box 1 on page 4 of the Issues Paper, the wording “in association with a school” does not adequately capture the way that Kindergarten is *integral* to school provision in Western Australia. It is widely understood by Western Australian families and educators as the first year of school, albeit part-time and pre-compulsory. Like all other years of schooling, it is free of compulsory charges in public schools, subject to the SEA and school quality assurance procedures. In addition, approximately 75 per cent of the cost of provision in non-government schools is funded by the State. This generous level of State-funding for Kindergarten provision in non-government schools arose in 1995 due to the absence of Australian Government funding for this. The Report on Government Services 2014 highlighted this inequity in funding in the table below which shows the breakdown of children attending government and non-government pre-school programs across Australia.

**Table 2 - First year of schooling**

Table 3A.23		All children aged 4 and 5 years enrolled in and attending a preschool program, by sector,											
		Unit	NSW (b)	Vic	Qld (c)	WA	SA	Tas	ACT (d)	NT	Aust (e)		
Number of children enrolled													
Preschool													
	Government	no.	5 450	10 945	2 072	22 981	13 335	4 873	3 594	3 038	66 288		
	Non-government	no.	29 343	39 447	17 944	8 374	1 191	1 526	–	196	98 021		
	Total preschool (f)	no.	35 436	50 433	20 016	31 369	14 573	6 405	3 665	3 250	165 147		
	Long day care with a preschool program (g)	no.	34 477	26 574	32 787	817	4 302	312	1 501	119	100 889		
	<b>Total enrolled</b>	<b>no.</b>	<b>69 913</b>	<b>77 007</b>	<b>52 803</b>	<b>32 186</b>	<b>18 875</b>	<b>6 717</b>	<b>5 166</b>	<b>3 369</b>	<b>266 036</b>		
Number of children attending													
Preschool													
	Government	no.	5 143	10 358	2 003	22 981	13 155	4 792	np	2 727	61 159		
	Non-government	no.	28 785	np	17 649	8 374	1 175	1 510	–	183	57 676		
	Total preschool (f)	no.	34 562	47 915	19 652	31 369	14 377	6 308	3 578	np	157 761		
	Long day care with a preschool program (g)	no.	33 857	25 650	31 742	807	4 238	305	1 482	np	98 081		
	<b>Total attending</b>	<b>no.</b>	<b>68 419</b>	<b>73 565</b>	<b>51 394</b>	<b>32 176</b>	<b>18 615</b>	<b>6 613</b>	<b>5 060</b>	<b>3 039</b>	<b>258 881</b>		
(a)	Data includes all children aged 4 and 5 years as at 1 July 2012.												
(b)	Not all children undertaking a preschool program in a long day care setting in NSW are captured in the collection, resulting in an undercount for NSW.												
(c)	Child level enrolment and attendance data for Queensland are not available. Episode of enrolment and episode of attendance data were used instead for												
(d)	Totals for the ACT exclude data for preschools within independent schools, which were unavailable for 2012.												
(e)	Data for Australia are the total of the sum of the states and territories for which data are available.												
(f)	Total preschool includes multiple preschools. Not applicable for episode data used for Queensland.												
(g)	Includes long day care with a preschool and long day care with a preschool program and preschool.												
	– Nil or rounded to zero. np Not published.												
Source :	ABS (unpublished) <i>Preschool Education, Australia, 2012</i> , Cat. no. 4240.0, Canberra.												

### **Recommendation 1**

**It is recommended that the Productivity Commission examines how funding provided to States for pre-school (the year before full-time school) can be included as additional education funding, with consistent per capita base allocations and equity lines as will apply for school funding. This will remove the current inequities whereby different funding arrangements apply according to the different models of delivery that prevail in each state or territory.**

This submission will now address the four identified themes of the Inquiry and includes additional information specific to Western Australia.

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

The demand for ECEC has risen steadily over the past 15 years. Families use a mix of formal and informal education and care services during the early years prior to formal schooling. A range of factors influence families choice of services including availability, a child's age, costs, family values, location, accessibility, family composition and the service quality. The quality of a service or informal care that is provided can have significant effects on the outcomes for children.

### 2.1 Children's development needs

ECEC programs can have a significant effect on children's learning, development and preparedness for school particularly for children from disadvantaged backgrounds.

The most significant impact on children's learning and development outcomes is the quality of education and care that is provided. The length of time and age of entry into a service is less important than the quality of the service provided.<sup>5</sup>

Regarding points 2(i) and 2(j) in the Terms of Reference (ToR), Western Australia advocates national efforts to improve connections and transitions between the school and childcare sectors. The State has strategically planned parallel implementation of the *Early Years Learning Framework* (EYLF) and the NQS in education and care services and in school-based Kindergartens as one way to enhance children's transition to school. It has been observed, however, that national governance tends to entrench divisions between the school and education and care sectors (see Table 2).

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<sup>5</sup> Sylva, Melhuish, Sammons, Siraj-Blatchford, & Taggart, 2008. *Effective Pre-school and Primary Education 3 – 11 Project*, [http://www.ioe.ac.uk/TrackingMobilityEPPE\\_3-11.pdf](http://www.ioe.ac.uk/TrackingMobilityEPPE_3-11.pdf) viewed 2014

**Table 3 – National manifestations of the childcare-school divide**

Child care sector	School sector
Early Years Learning Framework	Australian Curriculum
ACECQA	ACARA, AITSL
National Quality Framework	National Education Agreement
Early Childhood Policy Group	Schools Policy Group
Long day care, family day care, occasional care, outside school hours care, pre-school	Full-time school entry to the end of Year 12
Kindergarten (WA)	

The fact that Kindergarten (pre-school) is the first year of school in Western Australia means that it straddles the divide illustrated in Table 2. This is a key strength of the pre-school-in-school model of delivery and lends cohesion and continuity (of programs and relationships) for children as they progress from pre-school to full-time schooling, and significantly enhances their transition to school. Western Australia has sought to consolidate this strength by applying the NQS across the early years of schooling to the end of Year 2 which is when children reach the age of eight years.

The EYLF and the NQS promote collaboration between ECEC and local pre-schools/schools. In *Foundations for Learning* (2011) which was jointly published by Early Childhood Australia (ECA) and the Australian Curriculum and Reporting Authority (ACARA), alignment between the EYLF and the Australian Curriculum—and their shared alignment with the *National Goals for Schooling in the Twenty-first Century* (the National Goals)—is explained. The paper also notes on page 29 that “the key to successful transitions between settings catering for young children will lie in collaboration—collaboration between educators and education leaders in varied early learning environments; and collaboration with families to ensure that children’s prior experiences are valued and their current needs are met”.

It is necessary, however to guard against premature formality in the learning programs provided at school for four and five year old children and to resist the temptation to become preoccupied with literacy and numeracy at the expense of other equally important learning outcomes concerning social and emotional capabilities, critical and creative thinking and cultural competence as per the five outcomes of the EYLF and the general capabilities of the Australian Curriculum. To this end, Western Australia has embedded the EYLF in curriculum guidance for early childhood educators in schools and will require compliance with the NQS across the early years of schooling to the end of Year 2.

## 2.2 Impacts on workforce participation

There are a number of factors that influence parents' use of ECEC to support their participation in the workforce. These include service flexibility, affordability and quality. The Productivity Commission specifically asks what trade-offs parents are prepared to accept when considering care options such as a 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 or times.

Flexible working arrangements are used to a much greater degree by working mothers than working fathers. Women are more likely than men to work part-time while their children are young. This restricts women's income in the short-term and also inhibits their career progression in the longer term.

The majority of working mothers (77% in 2008<sup>6</sup>) use some form of flexible working arrangements to care for their children. This may be instead of, or in addition to, using education and care services.

Typical flexible working arrangements include flexible start and finish times or part-time work. For some women this will be due to choice while for others this may be the result of the lack of appropriate childcare options. Affordability of childcare in relation to anticipated income is considered to be a contributing factor, especially for women in low-income occupations.

Parents may not be able to negotiate flexible working arrangements. Operating hours for childcare services may not accommodate long working hours for parents. Where women are the primary carers of children, this is likely to impact on their ability to accept promotions or senior positions. Therefore women may decide to delay seeking to progress their career while their children are young and this delay will impact on their employment income over their working lives. Men's ability to work longer hours, or to work outside standard working hours, is traditionally dependent on having a spouse or partner to undertake child caring responsibilities.

Women retire from the workforce with significantly less superannuation than men and have a longer lifespan so are more likely to live in poverty in old age. The longer women spend out of the workforce caring for children, the lower their level of superannuation on retirement will be. Women's superannuation payouts are, on average, 57% of men's.<sup>7</sup>

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<sup>6</sup> Department for Communities 2012 Women's Report Card: Measuring Women's Progress. Perth, Western Australia, p 33

<sup>7</sup> Prue Cameron, 'What's choice got to do with it? Women's lifetime financial disadvantage and the superannuation gender pay gap', Policy Brief No. 55, July 2013, The Australian Institute, p.19.

Parents in marginalised groups, such as migrants and indigenous, may experience additional financial barriers to accessing childcare as they are more likely to be restricted to low-income occupations.

ABS statistics indicate that working parents require a higher level of formal care for their children than they are able to access. In 2011, 5% of children of employed parents required some additional formal care: this includes children already attending care or pre-school whose parents wished them to attend more, as well as children who did not attend any care or pre-school whose parents wished for them to attend. The ability of parents to participate in the workforce was therefore restricted by a shortfall of formal care.<sup>8</sup>

The majority of single parents are women and, in two-parent families, the majority of primary carers are women. The shortfall in available childcare places impacts more heavily in women's workforce participation and therefore their earning capacity.<sup>9</sup>

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<sup>8</sup> Source Australian Bureau of Statistics. Childhood Education and Care, Australia, June 20111 Additional DataCube (Cat. No. 4402).

<sup>9</sup> Source Australian Bureau of Statistics. Childhood Education and Care, Australia, June 20111 Additional DataCube (Cat. No. 4402).

### 3 Availability, accessibility and cost of childcare and early learning services

The cost and availability of a range of education and care services are key concerns of many parents. The factors affecting availability and costs of services are complex and differ according to family circumstances, children's age, service types and location.

#### 3.1 Availability

Western Australia has several initiatives to support children's prior-to-school learning which do not depend on attending formal education and care or pre-kindergarten services: 12 *Best Start* sites for Aboriginal children, 16 *Child and Parent Centres*, the *Better Beginnings* family literacy program through local libraries and numerous community-based playgroups. All these initiatives adopt an 'intergenerational' approach<sup>10</sup> whereby young children participate *with* a parent/caregiver/grandparent. An intergenerational approach seeks to empower families by building their capacities and confidence as their children's first teachers and to build local community-based networks. Research emphasises the benefits of supporting families (not only children) because:

- the home learning environment is a stronger predictor of children's success than socioeconomic status or the quality of service provision<sup>11</sup>
- stress levels for families are reduced when families are supported. In turn, this enables parents to interact with their children in more positive and productive ways, leading to better outcomes for children.<sup>12</sup>

The importance of access to high quality education and care for children in the vital first years of their lives is well established<sup>13</sup> and has previously been cited by the Productivity Commission<sup>14</sup>. Analysis conducted by the Canadian economist and Nobel Laureate James Heckman has demonstrated that improving access to and the quality of early childhood services significantly reduces the need for (and the future cost of) remedial support when children reach school. In recognition of this, Western

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<sup>10</sup> Farrow, F. 2009. Center for the Study of Social Policy, [http://www.ncdsv.org/images/SOPO\\_Two-GenerationApproach\\_11-9-2009.pdf](http://www.ncdsv.org/images/SOPO_Two-GenerationApproach_11-9-2009.pdf)

<sup>11</sup> Sylva, Melhuish, Sammons, Siraj-Blatchford, & Taggart, 2008. *Effective Pre-school and Primary Education 3 – 11 Project*, [http://www.ioe.ac.uk/TrackingMobilityEPPE\\_3-11.pdf](http://www.ioe.ac.uk/TrackingMobilityEPPE_3-11.pdf)

<sup>12</sup> Shonkoff, J. & Phillips, P., 2000. *From Neurons to Neighbourhoods: the Science of Early Childhood Development*, National Academy Press, New York.

<sup>13</sup> Cunha F, Heckman J, 2006. *Investing in our young people*. Chicago, Illinois: University of Chicago.

<sup>14</sup> Heckman, J (2000) as cited in Price Waterhouse Cooper 2011 A Practical Vision for Early Childhood Education and Care

Australia invested heavily in pre-school provision in public and non-government schools during the 1990s and was the first Australian state to achieve universal access to pre-school delivered by degree-qualified teachers through funded school-based Kindergarten programs.

To consolidate this investment, Western Australia is now establishing 16 Child and Parent Centres (CPCs) on public school sites in identified high needs communities to offer a range of early childhood programs and services which will complement (not duplicate) existing childcare services for all children in those communities. This initiative is being implemented jointly by education, health and community services' government agencies in partnership with the not-for-profit community services sector and includes funding for additional child health nurses, speech therapists and other specialists to assist in early identification and intervention.

Access to education and care places and long waiting lists are key concerns for families. The areas of highest need are in the 0–2 and 2–3 age groups and for children who are unwell. The ratio of 1 adult to 4 children in the 0–2 year age group affects the profitability of providing services to this group. Services tend to provide reduced places for 0–2 group when compared to the 3–4 age groups where a ratio of 1 adult to 10 children applies.

Anecdotally there is a shortage of education and care services in the Perth city centre. The most common reasons cited by potential providers for not developing services in the city are the prohibitive costs of land or rents and the building code requirements.

Access to ECEC in regional areas of WA is understood to be more challenging than in metropolitan areas. In WA where there is a larger proportion of the workforce employed in the resources industry, and in particular in Fly In Fly Out (FIFO) working arrangements, there is an increasing need for these different forms of childcare. Women wishing to work in the resources industry, and especially within FIFO arrangements, saw that this work pattern was not feasible if they wanted to have children unless the partner took on primary responsibility for the children.

Roster arrangements also provide additional challenges for parents requiring ECEC services as they may work night shifts and require services outside of the normal span of hours that such care is provided.

In the Western Australian public health system, clinical staffing is predominantly female, with women accounting for 39% of the medical workforce (and increasing over time) and 92% of the nursing and midwifery workforce. The Department of Health has identified the following key issues related to workforce participation and education and care services:

- limited availability and choice of service providers—in some smaller communities, there are few or no service providers

- reliance on informal or alternative childcare services including family members, friends, and family day care arrangements
- lack of recognition of these informal types of childcare arrangements for accessing the Childcare Rebate
- obstacles for local councils in offering education and care services, limiting the availability of provider and service places
- availability of services to cover some 24/7 rosters (particularly medical, nursing and support service workers)
- limited availability/competition for places within existing education and care services including wait periods and the need to pay to “hold” places during leave periods
- perceived lowering of quality and increased cost of education and care in regional areas (rates in some areas are significantly higher than in the Perth metropolitan area)
- lack of suitable or affordable education and care services influencing the decision by new mothers to extend their time on parental leave following the birth of a child. This can impact on business and service continuity, particularly in small communities.

Families who move to remote areas to benefit from the employment opportunities are more likely to require ECEC services as a result of their reduced informal networks for childcare and support, such as parents and friends.

Sustainable utilisation is an issue for services in regional areas where mining is not the predominant industry. To manage this, services often reduce the number of days they operate. However this can leave some families unable to take up work opportunities due to the lack of available care.

Lack of access to qualified staff can lead to services in regional areas reducing the number places they offer. Cost of living in the regions can be extremely high. Rental costs for housing in the major towns of Karratha, Port Hedland and Newman range from \$1,500 to \$2,000+ per week. Some rents have decreased slightly, since the slowing of the mining industry, but the average rents are still \$1,000 to \$2,000 per week. This exceeds the weekly rate of pay for Qualified and Assistant Educators. Some of the larger mining companies assist with housing subsidies, but this is limited.

### **3.2 Issues specific to Outside School Hours Care (OSHC)**

Over the last five years there has been an increasing demand for OSHC services particularly on school sites. The West Australian Principals Association has identified the rising demand as a significant issue.<sup>15</sup>

Parents of children enrolled in small regional schools can struggle to find OSHC places as the low numbers of children requiring care do not support the provision of a financially viable service. It has been suggested that a local “hub” operated by a non-government organisation (NGO) or Local Council might be able to facilitate the establishment of services in the smaller schools with local community members undertaking the staffing roles and the “hub” undertaking the governance role for the services.

Initially, many mothers re-enter the workforce on a part-time basis and build to full-time employment as their children get older. This workforce pattern foregrounds the need for widespread Outside School Hours Care Services (OSHC) services on/near school sites and programs that cater for early adolescents as well as for primary-aged children.

It should be noted that OSHC services are typically not available to school-aged children beyond the primary years. This is unfortunate because young adolescent children with excess time on their hands are likely to spend a lot of that time in front of a screen, are likely to be sedentary and (if bored) are more likely to engage in antisocial and/or risky behaviour. It is desirable that, as with OSHC services, programs and services that are tailored to the age and interests of young adolescents are provided for at least part of each week in most communities.

### **3.3 Cost and affordability**

Affordability is harder to achieve in remote and very remote localities where many of Australia’s most vulnerable and disadvantaged children reside. In these localities, the need for high quality early childhood services (across the education, health and community sectors) is less about workforce participation and more about the need to redress layers of complex disadvantage and urgently improve learning and development outcomes for children. Given the combination of high costs and critical needs in these localities, a ‘one size fits all’ approach to funding services through CBB/R is inappropriate<sup>16</sup>. Further, it is impossible to achieve the volume of usage in

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<sup>15</sup> West Australian Newspaper January 2014

<sup>16</sup> Brennan, D. 2013. *Joining the Dots*: Options paper prepared for Secretariat of National Aboriginal and Islander Child Care (SNAICC).

these localities that would make such services viable without significant government support.

Kindergarten (pre-school) in Western Australia is free of compulsory charges at a public school. All age-eligible four year old children are legally entitled to access 15 hours per week of Kindergarten at a public school. They are also able to access Kindergarten at all Catholic and most independent schools where the State pays for approximately 75 per cent of the costs, with the balance paid by families in fees. From page 22 of the Issues Paper, Western Australia notes that “the more populated states” where pre-school costs are higher are also the states in which the prevailing model of pre-school delivery (from Table 1) is through childcare services.

### **3.4 Viability**

The viability of centre-based services including OSHC and vacation care services is especially difficult to achieve in small rural towns which also face additional challenges in attracting and retaining suitable staff. As the provider of approximately 650 pre-school (Kindergarten) programs in Western Australia’s public schools and the source of 75% of the cost of Kindergarten provision in non-government schools, Western Australia is aware of several viability factors:

- approximately 22 per cent of schools have mixed ‘Kindergarten/Pre-primary’ classes because there are not enough four year old children in small towns and communities to run a ‘straight’ Kindergarten or a ‘straight’ Pre-primary
- flexibility to employ early childhood staff (teachers and education assistants) who have qualifications to work across the early years of schooling from age 3 to age 8 is imperative in Western Australia
- early childhood staff in schools do not require birth to age 2 qualifications. Stipulating a birth to age 2 requirement is overly restrictive and unnecessarily limits the number of potential employees.

In remote and very remote localities, incentives (additional pay and assured high quality accommodation) are required to attract and retain capable and properly qualified staff. This necessarily means that the cost of provision in such localities is higher than in urban localities.

#### **Recommendation 2**

**It is recommended that the Productivity Commission examines the potential for attracting high quality education and care staff through current funding mechanisms (subsidies, rebates, tax deduction), to offset the challenges of living and working in rural and remote locations.**

### 3.5 Flexibility of childcare and early learning services

The most common reasons cited by education and care services for not providing more flexible care are the costs involved and the low demand.

Providing care outside core hours increases staff and service on-costs resulting in increased fees which many parents struggle to meet. A number of services have expanded their opening times at each end the day by 30–60 minutes. These services are usually located in outer metropolitan areas where parents require time to negotiate traffic and collect their children.

In regional areas, apart from services provided by Family Day Care (FDC) educators, there is very little flexibility in service opening times. This is primarily due a lack of available staff and low demand from families.

The requirement for services to meet child to staff ratios limits their ability to provide flexibility around non regular daily or hourly enrolments. This is because it is difficult to call in staff or reduce staff numbers on short notice. Retention of staff in services is already an issue and not providing staff with regular working hours affects retention rates. This is particularly prevalent in rural and remote communities where access to suitably qualified and experienced staff is cited as one reason for low levels of service flexibility.

Alternative flexible models of ECEC should be supported where they demonstrate a focus on the child's best interests and the needs of families. In-home care services can provide families with flexibility however any funding of these arrangements would need to ensure providers were subject to the same regulatory requirements as other services such as FDC. Further, that funding is not directed away from supporting services that families currently use.

For regional areas it has been suggested that the Australian Government operational requirements—being a minimum of 40 hours per week, for 48 weeks a year—limits service provision options that allow parents to access CCB. Families in remote and regional areas use education and care services for work purposes, to reduce isolation and for children to socialise. Rural families also have periods of down time particularly over Christmas where schools are not operating and they go on leave. Services struggle to maintain the levels of utilisation over the year that make them viable.

#### **Recommendation 3**

**It is recommended that the Productivity Commission investigate changing the current operational requirements—being a minimum of 40 hours per week, for 48 weeks a year—to support workforce participation.**

## **3.6 Services for additional needs**

The provision of services for children with additional needs and those in regional and remote communities pose a range of challenges. Often children with additional needs benefit most from the provision of high quality services. Services also face challenges in terms of adequately trained staff, having appropriate resources and access to training and staff turnover. This section is focused on children with disability.

### **3.6.1 Children with disability**

There is already overwhelming evidence regarding the important developmental outcomes for children who access and participate in a quality childcare and early childhood learning sector. Having appropriate learning environments provides the opportunity to improve gross and fine motor skills, social development, coping skills with routine and group participation, as well as coping with separation from family. Where children with disability are not having the same learning opportunities as other children, the gap in learning and development with other children is often compounded and extended as they transition to school age.

For families and carers, childcare and early childhood learning programs provide great benefit in assisting the transition to compulsory school attendance and with separation. Transition can be a huge challenge for any family and for parents of a child with disability, common feelings of anxiety, guilt and fear can be even more pronounced given the additional supports families and carers provide to children with disability in the home.

Inclusion in mainstream services supported by a skilled early childhood workforce and specialist early childhood intervention professionals is widely acknowledged as the preferred strategy in overcoming the opportunity gap for children with additional needs.

There have been various steps taken to embed inclusion for people with disability, and there needs to be a strong focus on inclusion for children with disability within the Inquiry. Including children with disability across early childhood programs allows children to increase their skills and reach their potential, complement other early interventions and reduce social isolation. Embedding inclusion in the minds of children without disability also sets an important precedent which they can apply throughout their lives.

The Inquiry's recommendations regarding children with disability should also be cognisant of the development of the National Disability Insurance Scheme and the Productivity Commission's earlier Disability Care and Support report, which acknowledged that the Scheme should be seen in conjunction with an increased role for all governments and community in becoming inclusive. As well as this, a potential

increase in the amount of early intervention supports and services under the Scheme also lends relevance to enhancing the childcare and early learning environment so that it produces optimal results for children with disability.

### **3.6.2 Accessing childcare and early childhood learning for children with disability**

Across regional and remote areas, but also across metropolitan Perth, availability of places is viewed as the major barrier for children with disability in participating in childcare and early childhood programs. Even though many childcare settings have policies relating to the prioritisation of children with disability, this sector is at capacity in many localities in Western Australia.

The recent Report on Government Services shows that children aged 0–12 years with disability had a lower representation in childcare services compared with their representation in the community.<sup>17</sup>

The costs of childcare around Western Australia vary; however, parents and carers of children with disability have also highlighted that these costs are a barrier to their child participating. Where families and carers cannot afford the costs, or do not prioritise the costs associated with childcare, children who are vulnerable and / or at risk do not access these services and the gap of learning and development becomes greater.

### **3.6.3 Participating in childcare and early childhood learning for children with disability**

The specific and individualised supports which some children with disability require is an issue for both childcare and early childhood programs in general. Although the EYLF does propose that educators are skilled in dealing with inclusion and addressing the specific needs of children of varying abilities, this is still lacking in practice. This is particularly evident where disabilities which affect behavior, such as autism, are concerned.

There have been instances raised by Disability Services Commission (the Commission) staff where children with disability have been excluded from education and care services, with parents and carers being provided with a range of excuses, or have simply been advised that the service does not have the capacity to address the specific needs of the child. One example concerned a child who was asked not to attend the service as their organisation was, at the time, subject to accreditation and monitoring visits, and the organisation felt that the child's attendance and

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<sup>17</sup> Report on Government Services 2014, Early Childhood Education and Care, p.3.18

common behaviour would reflect badly on the organisation. Exclusion is also reported to occur regularly in other early childhood programs, for example club and association based activities, which are part of the broader community development notion of inclusion and are not subject to accreditation or national frameworks. Programs such as Best Start for playgroups, the Inclusion and Professional Support Program (IPSP) and the Rural Inclusion Support Program (RISP)<sup>18</sup> delivered by Child Australia all assist in developing the capacity of education and care services to support children with disability and these are models which the Inquiry should consider. It is important, however, that these models do not overly focus on supporting the physical needs of children with disability but also promote their general learning and development.

Currently in Western Australia registered private pre-schools and kindergartens that provide education and care are required to operate as approved services under the NQF. However these services do not receive the same level of inclusion or professional support when compared with other approved education and care providers. Families using these services (e.g. three-year old, sessional kindergarten programs) are not eligible for the full CCB as they are not using the service for employment or training purposes. Support provided to children and staff should be needs based rather than related to the weekly and hourly requirements of operation as defined for CCB/R requirements.

#### **Recommendation 4**

**It is recommended that the Productivity Commission examine the feasibility of extending the access to support services provided by the Inclusion and Professional Support Program (IPSP) to services (other than those eligible for CCB) where children with additional needs are enrolled.**

Models of care which promote a whole of community and whole of education approach to caring for children are often successful in building capacity and integration within the current system. One example of this is the Early Years-Walking Together Through the Maze Project – Lower Great Southern, which was launched in 2012 by the Commission. This program had a project reference group and support across the early years sector and adapted to the needs of each

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<sup>18</sup> The Rural Inclusion Support program is funded by the State Government under the Regional Community Child Care Development Fund and is delivered as part of a grant agreement with Child Australia. The program provides support to regional education and care services not eligible for the Inclusion and Professional Support Program funded by the Commonwealth Government

community to ensure sustainability. Three major achievements have come out of this project:

- the Individual Transition Plan has been developed by early years sector professionals and families registered with the Commission
- a formalised and collaborative approach for all children transitioning to school in Denmark, Albany and Mt Barker
- the Individual Transition Plan will now be complemented by the Early Childhood Intervention Australia (ECIA) Starting School booklet and a face to face meeting with the Local Area Coordinator (LAC) and the consulting teacher for each child registered with the Commission in Lower Great Southern who is commencing early years education.

The development of Child and Parent Centres in Western Australia is another example of integrating early years services, which also benefits children with disability. The model supports school facilities being more multi-functional and to provide early childhood and out of school care programs. This assists in access, inclusion and transition, particularly for children with disability.

Finally, any Inquiry recommendations regarding models of supports within childcare and early learning must address the lack of individual planning for transition to school.

## 4 Government regulation of childcare and early learning

Western Australia is confident that stringent application of the NQS in education and care services across Australia will improve the quality of learning programs received by children, leading to better learning and development outcomes for children within the decade. This will first be evident in improved Australian Early Development Index (AEDI) profiles and (later) in improved school achievement data including National Assessment of Literacy and Numeracy Program (NAPLAN) data.

While introduction of the NQS is an important reform which Western Australia supports, it focuses on the nature of service *provision* and not on children's *educational outcomes*. Australia has national data about children's literacy and numeracy progress through NAPLAN, but beyond the AEDI, there is no mechanism to monitor the personal and social well-being of the nation's children, despite clear evidence that this is essential for school achievement<sup>19</sup>, workforce and personal adaptability and avoiding a wide range of health problems in future life<sup>20</sup>. These skills are captured as general capabilities within the Australian Curriculum, but no systematic process has been established to monitor progress to inform whether additional and more explicit attention should be directed towards these capabilities in early (and later) learning programs.

### 4.1 Regulated Education and Care Services

As already stated in the Background, the Department of Local Government and Communities (DLGC), through the Education and Care Regulatory Unit (ECRU), has primary responsibility for the regulation of education and care services under the NQF, including approval, monitoring and quality assessment.

In addition to the regulation of services, the DLGC also:

- administers the Regional Community Childcare Development Fund totaling \$9.3 million over four years under Royalties for Regions
- maintains a state-wide network of Children's Services Officers who support education and care services
- administers the Aboriginal Early Years, Best Start and Parenting programs totaling \$6,403,839 million per year.

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<sup>19</sup> O'Neill, S., 2012. "Student success hangs on managing emotions", opinion piece published in *The West Australian*, 5 June 2012.

<sup>20</sup> Centre on the Developing Child, Harvard University, 2012. "Building the Brain's 'Air Traffic Control' System: How Early Experiences Shape the Development of Executive Function".

In Western Australia DLGC has primary responsibility for the Education and Care Services National Law and Regulations. In all other States and Territories the applied National Law was implemented on 1 January 2012. Western Australia introduced corresponding legislation with some minor adjustments specific to Western Australia, such as the preservation of qualifications for staff in OSHC in August 2012.

As at February 2014 there are 999 approved education and care services in WA:<sup>21</sup>

- 953 are centre-based services including outside school hours care and long day care.
- 46 are Family Day Care Services; these include approximately 800 individual Family Day Care Educators who care for children in their homes
- approximately 20 services provide ad hoc occasional care licensed under state-based legislation
- the majority of services (776 or 77%) are within a radius of 80 km from the Perth metropolitan area
- 222 or 22% are located in rural and regional areas of Western Australia
- the number of children attending approved services in WA is 80,394<sup>22</sup>
- the average fee paid (prior to Australian Government Rebates) for centre-based services is \$364 per week and for family day care is \$367 per week<sup>23</sup>
- the average attendance per week for a child is 25.5 hours for centre-based care; 25.2 hours for family day care; 7.3 hours for OSHC; 29 hours for Vacation Care; Occasional Care for 11.2 hours; Other (includes in-home care) 26.4 hours.<sup>24</sup>

## 4.2 Pre-school

Western Australia has taken an alternative approach to implementation of the NQS in its Kindergartens to reflect the pre-existing and well established context of school-based pre-school delivery. Compliance with the NQS is being incorporated into existing whole-school quality assurance procedures which are a better 'fit' for the schooling sector and will prevent the duplication of regulatory effort for schools. Significantly, the decision has been made to apply the NQS across the early years of schooling to Year 2 so that new and unhelpful divisions between Kindergarten and the rest of the school are not created. Adherence to the NQS will leverage the same

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<sup>21</sup> NQAITS extract 07/02/2014

<sup>22</sup> Report on Government Services 2014

<sup>23</sup> ibid

<sup>24</sup> ibid

quality improvements as will apply to pre-school provision in all other parts of Australia without duplicating regulatory effort for school administrators and their early childhood staff who are already subject to school legislation and regulatory procedures.

#### **Recommendation 5**

**It is recommended that the Productivity Commission advises on how the regulation of Early Childhood Education and Care (ECEC) services can better articulate with school regulation, especially where pre-school is delivered through the schooling sector. This includes teacher registration, school registration and quality assurance, and national curriculum requirements.**

### **4.3 National Quality Framework**

Western Australia supports the implementation of the NQF in a staged process. The Issues Paper notes that the NQF creates a uniform national approach to the regulation and quality assessment of ECEC services and replaces separate licensing and quality assurance processes in each jurisdiction. A significant regulatory change was to staff qualification requirements and minimum educator-to-child ratios.

#### **4.3.1 Staffing ratios**

In Western Australia there was no change to the child to staff ratios as part of the implementation of the NQS for centre-based education and care services.

From 1 January 2014, a new requirement for 50% of staff in centre-based services to hold a Diploma or equivalent qualification and the minimum Certificate III qualification for all staff came into effect.

The National Regulations allow Regulatory Authorities to waive the requirement for staffing in certain conditions. Temporary waivers are most likely to arise in remote and very remote localities where staff challenges are most acute. If waivers are allowed to become the norm in these localities, it will lead to a 'two-speed' system in which program quality will be allowed to languish in remote parts of Australia where our most vulnerable children reside.

As of the 8 January 2014 there were 135 remote and regional centre-based services in WA of which 30 have applied for waivers from the Early Childhood Teacher requirement (22% of all services). Of the 585 approved metropolitan centre-based services, 114 have applied for a waiver from the Early Childhood Teacher requirement (19%).

The reduction to numbers of children that a FDC educator can provide care for also came into effect on 1 January 2014. DLGC undertook a small survey through the membership of Family Day Care WA (the peak body for Family Day Care Services) who identified a number of impacts from the change to educator-to-child ratios. These include a loss of 20 per cent of their previous income, the need to increase fees to cover costs with reduced numbers and parent stress due to the reduction of care available particularly for pre-school children. Anecdotally FDC services advise that educators have been aware of the requirement and formulated business plans to address issues related to caring for lower numbers of children. However planning has not entirely negated the impacts of the reduced educator-to-child ratios.

### **4.3.2 Qualifications**

Western Australia recognises that the concentration of professional qualifications required in education and care services across Australia is rapidly increasing and will soon reflect that which has applied in schools for many years. Given what is known about the rapid cognitive, social and physical development that occurs in the vital first three years of life, this requirement is strongly supported.

Regional service providers identify recruitment and retention of suitably qualified staff as a key workforce issue. Services' viability can be affected as the number of children enrolled in a service is adjusted to meet child/staff ratios.

Since 2009, increasing the duration of Kindergarten programs by four hours per week in Western Australian schools (to 15 hours per week) necessitated the employment of an additional 272 early childhood teachers and 175 education assistants in approximately 850 public, Catholic and non-government schools. This has further reduced the pool of early childhood teachers available for employment in childcare services.

It is understood that while preliminary 2013 National Workforce Census data show overall improvement in most localities compared with 2010, the gap between metropolitan/regional localities and remote/very remote localities is widening. The 2013 data shows that:

- Staff in very remote localities are three times more likely to be unqualified than in metropolitan or regional localities. In 2010, they were twice as likely to be unqualified. This indicates that efforts to enhance the qualifications profile of services in urban and regional localities are much more successful than in remote and very remote localities where improvements since 2010 have been negligible.
- Almost a quarter of staff in pre-schools in remote and very remote localities are not qualified, compared with around a tenth in metropolitan and regional localities.

The Australian Children's Education and Care Quality Authority (ACECQA) advises that most early childhood teachers trained in the British Isles are qualified to work with children aged 3 to 8 years. The current requirement that all early childhood teachers are qualified to work with children from birth to age 2 excludes these individuals from employment in the ECEC sector—including in pre-schools where the youngest children they will work with will be three years old.

Under the framework of *Skilling WA - a workforce development plan for Western Australia*, the Department of Training and Workforce Development is working with local stakeholders to develop a suite of regional workforce development plans across the State's nine regions. The regional plans aim to identify the key issues impacting on the development of the regional workforce and strategies to address these issues.

Local workforce development alliances have been established in each of the nine Western Australian regions to oversee and manage the development and implementation of the regional plans. The alliances comprise industry, the three tiers of Government, the community based sector, regional Chambers of Commerce and Industry and representatives from Aboriginal organisations.

Regional plans have been developed and launched in the Goldfields/Esperance, Wheatbelt, Great Southern, South West, Pilbara and Kimberley regions. Arrangements have been put in place to develop regional plans for the Gascoyne, Mid-West and Peel regions. It is intended these plans will be launched in the first half of 2014.

The regional workforce development plans that have been completed to date have identified key issues which are impacting on individuals ability to participate in the region's workforce. These issues have been identified by local stakeholders and include:

- the availability and affordability of housing in many regions
- the availability of education and training programs (in particular, higher education)
- a perceived lack of career prospects
- a range of lifestyle issues
- a lack of childcare workers, which is of relevance to this Inquiry.

Western Australia's regional workforce development plans indicate that there is a shortage of ECEC educators (childcare workers) within most regional areas of the State. Quite clearly, the availability of ECEC educators to a region is critical to the staffing of education and care services which are important when it comes to attracting and retaining families and sole parents in that region's workforce.

Supporting this view is a range of labour market information including a publication by the Australian Government's Department of Employment Labour Economics Office, Western Australia, (September 2013) which states:

All employers experienced problems recruiting suitable and qualified staff. The demand for ECEC educators continues to exceed sources of supply in WA and ECEC educators are likely to remain in shortage into the foreseeable future.

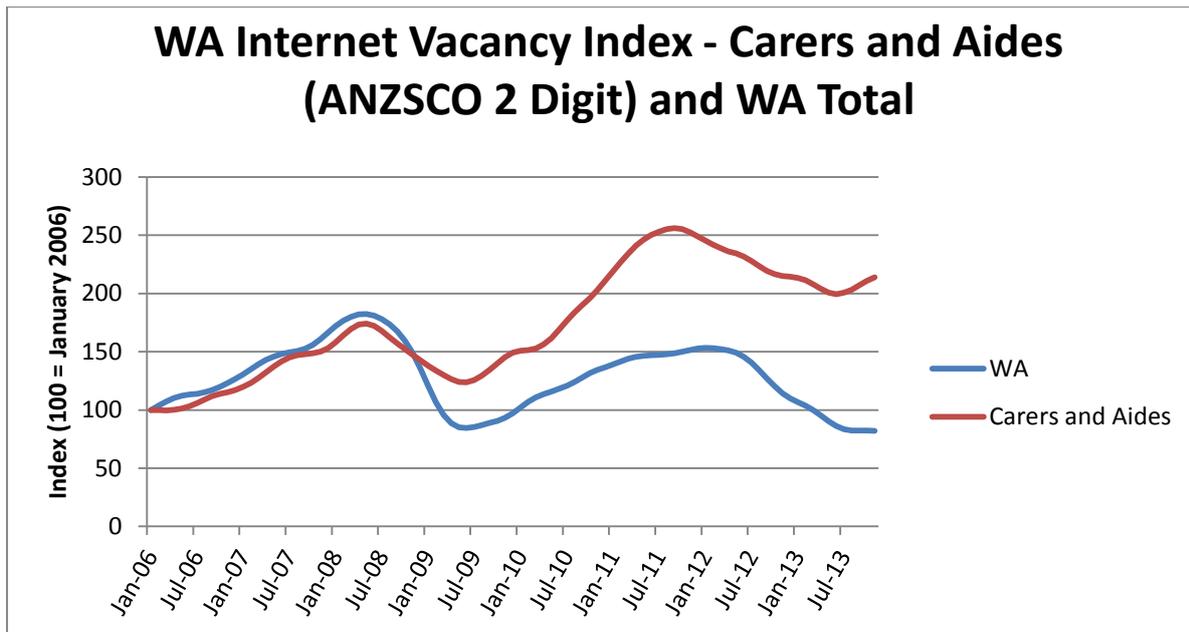
Employers situated in both regional and metropolitan WA, reported similar experiences in trying to fill vacancies for education and care centre managers. All suitable applicants held relevant qualifications, however few positions were filled.

WA Employers commented that there is a high turnover of staff in the industry, and a number of qualified staff use their qualifications as an entry point into higher education, or leave the industry because of the perception of low rates of pay compared to jobs which are less stressful and demanding.<sup>25</sup>

At the State level, the occupation of child care worker is listed as a "State Priority 1" on the State Priority Occupation List which means there is sufficient and appropriate evidence identifying that the occupation is suffering from unmet demand. Notwithstanding that the internet vacancy index is showing Western Australia's overall level of vacancies has declined in recent months, vacancies for Carers and Aides (which includes ECEC educators) have increased, as shown in the following chart.

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<sup>25</sup> Source: Occupational Skill Shortages Information, Department of Employment, September 2013:  
<http://docs.employment.gov.au/system/files/doc/other/421111childcareworkerwa.pdf>  
<http://docs.employment.gov.au/system/files/doc/other/134111childcarecentremanagerwa.pdf>



Source: Department of Employment, Internet Vacancy Index

### 4.3.3 Wages

Along with parents and children utilising education and care services the working conditions of early childhood educators must also be considered. Education and care staff are among the lowest paid care workers in Australia and qualified educators can often earn more in other sectors. This has resulted in ECEC operators reporting significant staff turnover. In regional areas this places additional pressures on service delivery with one service in the North West reporting that it has employed 75 educators over the last 12 months. Services report using a range of strategies to attract and retain staff, including paying above award wages, providing rent assistance, allowing staff to salary sacrifice rent and child care fees and providing rent subsidies.

In addition the Western Australian school sector offers better pay and conditions when compared to those in the regulated education and care sector. Kindergarten teachers enjoy parity of pay and conditions with other school staff, including a salary ranging from \$63,118 to \$95,459 (for a 'beginning' and a 'top of the scale' teacher respectively), a maximum of 21 hours, 20 minutes per week face-to-face teaching time and an entitlement to 5 hours, 20 minutes per week of duties other than teaching (DOTT), school holidays and housing assistance in rural/remote localities.

#### 4.3.4 Pre-school

The NQS staff-to-child ratios for pre-school already applied in Western Australia's Kindergartens, and all Kindergartens already had qualified early childhood teachers. The requirement for education assistants in Kindergartens to have a Certificate III by 2014 has been addressed through a scholarship program conducted in 2013, largely through accredited recognition of prior learning (RPL) provisions. Preparation for this change in Western Australia's public and non-government school sectors is well in hand.

Two key staffing challenges arise for Western Australia from the NQS:

- The requirement that early childhood teachers must have practicum experience working with children from birth to age 2 is unnecessary for early childhood staff working in schools with children aged from 3 to 8 and limits the pool of people available to be employed in the sector. Early childhood teachers working in early childhood education and care services that cater only for children aged 3 years and older (such as Western Australia's schools) should not be required to have experience and qualifications that cover birth to age 2.
- It is difficult to attract and retain staff in rural and remote localities, especially qualified teachers. Western Australia's schooling sector has extensive experience of attracting and retaining staff in remote and very remote localities. Experience shows it is necessary to provide high quality accommodation and that bonuses payable after serving a minimum term help to reduce staff turnover.

Like many female dominated industries, early childhood educators generally receive a low rate of pay. Increased requirements for workers to obtain formal qualifications will be onerous to the mainly female workforce. The cost of participating in training courses to obtain qualifications is prohibitive to many women on low incomes. The lack of qualifications may prevent them from progressing in their careers or even retaining their current positions.

In Western Australia, proposed increases to fees to undertake courses within State Training Providers (STPs, formerly the TAFE system) may provide an additional barrier to women attaining the necessary qualifications required in these industries.

#### **Recommendation 6**

**It is recommended that the Productivity Commission reiterates the importance of continuing with the Early Years Development Workforce Strategy of fee waivers for the Diploma of Children's Services Early Childhood Education & Care.**

## 4.4 Regulatory burden

Placing the best interests of the child at the center of decisions about self-regulation and accreditation schemes is important. Ultimately the child is the primary consumer of education and care services and given their limited capacity to advocate for themselves they are reliant on the state to act in their best interests. For this to be achieved a consistent level of regulation needs to be maintained across service types.

The core components of the National Quality Standard (NQS) are supported however there are ways the implementation and administration of the system could be streamlined. ECRU has been working with ACECQA to identify ways to reduce regulatory burden and will continue to do so as part of the 2014 NQS review.

The analyses conducted by the Australian Council of Educational Research (ACER) for the Phase 2 trial of the assessment and ratings process and subsequently on the first tranche of assessments conducted in 2013 revealed a good degree of face and construct validity and reliability of the assessments at a national level. This shows that these important aspects of the NQS are sufficiently well understood by operators and regulators. Further, research shows that the quality of relationships experienced by children in education and care settings is vital to their learning, and should not be dismissed. Too often, assessment focuses on what is easy to measure rather than what is important. People pay attention to the things that are assessed, so it is vital that relationships with children remain a key indicator of quality within the NQS.

The proposed reduction of red tape and efforts to streamline the assessment and ratings process are reflective of the approach that Western Australia has taken to implement the NQS in its pre-schools.

Western Australia continues to support the intended outcomes of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care and its aim of improved outcomes for children through improved program quality in line with the NQS.

Western Australia is willing to consider options to reduce or streamline regulatory requirements on the understanding that they do not lead to diminution of the NQS.

There is strong sector support for the NQF, including from providers, nominated supervisors and family day care educators. The most supportive groups are providers with quality rated services.

The NQF Regulatory Burden Report 2013 contains recommendations and actions already under way to reduce 'red tape'. The report establishes a benchmark to examine, over time, whether administrative burden is reducing and which strategies best contribute to this goal.

One of the key findings of the report is that services that have been rated and assessed identify a much lower level of administrative burden.

The 2014 review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care Services (NP NQAECEC) will also identify opportunities to reduce operational impediments.

## 5 Government support for childcare and early learning

Each level of (Federal, State and local) government plays its part in childcare and early childhood education such that there is continuity of provision without overlaps or gaps.

Government should be as active in supporting and funding early childhood learning (for children prior to school entry) as it is for school education. Heckman has shown that investment in children's development and learning is as important and potentially more cost-efficient in the first three years of life as when children becomes eligible for universal access to pre-school at around the age of four. Much of the research suggests that government support should include high quality child-health, parenting support, playgroups and education and care services.

It is appropriate that public investment in early childhood education and care<sup>26</sup> has increased in recent years to reflect the economic and opportunity benefits that quality early childhood services yield the whole community. As suggested by PricewaterhouseCoopers<sup>27</sup>, "One approach would be to define a minimum free service entitlement for all children and families ... or broadening the current income testing for all government subsidies ... as currently applies to Child Care Benefit. This approach would provide flexibility to government in influencing the costs of ECEC for families as a proportion of disposable income".

Significant public benefit will arise from making sure that all children and families have access to quality early childhood programs, reflective of their needs. For some families this may mean that Government meets the full cost of the service. This is the approach taken for key services provided through Western Australia's Child and Parent Centres and the United Kingdom's *Sure Start* initiative which is referred to in Box 2 on page 7 of the issues paper. It may be time for Australia's child care system to join other publicly funded social programs (such as education and healthcare) so that cost is no longer a barrier to families that most need such services.

The model of publicly-supported access and provision should reflect 'proportionate universality'<sup>28</sup> whereby a universal platform is supplemented with increasingly targeted and intensive forms of additional support according to need, as illustrated in Figure 1.

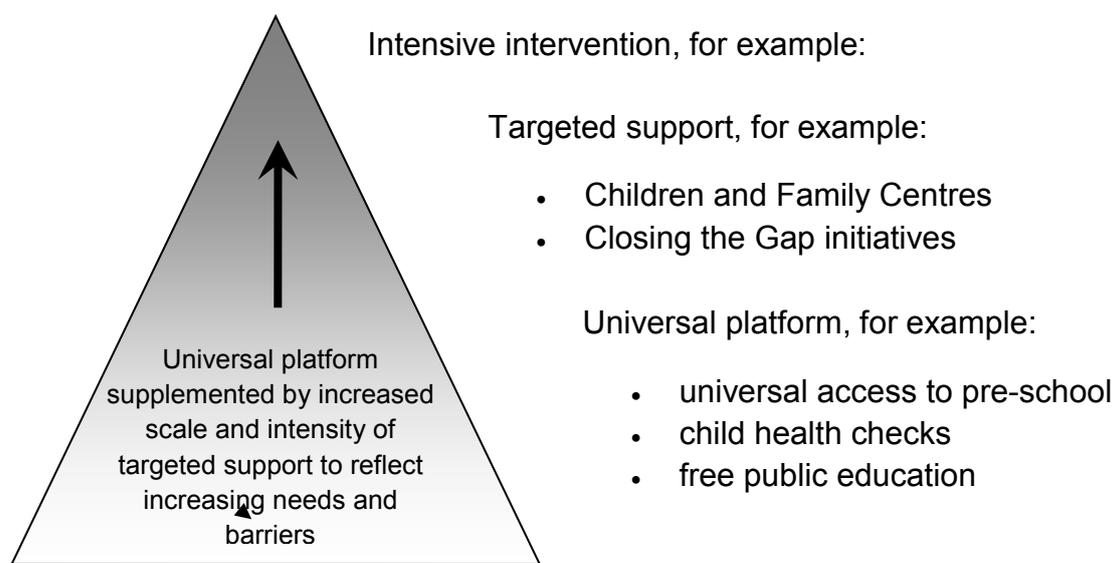
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<sup>26</sup> Report On Government Services 2014

<sup>27</sup> PricewaterhouseCoopers, 2011. A practical vision for early childhood education and care, Australia.

<sup>28</sup> Marmot, M, 2010. Fair Society, Healthy Lives (The Marmot Review), UK.

**Figure 1: Proportionate Universality**



Proportionate universality is central to the National Early Childhood Development Strategy (NECDS) which the Council of Australian Governments (COAG) endorsed in 2009 and which should be more actively pursued at a national level. This could include activation of key findings from the Early Childhood Development Story project which the Standing Council on School Education and Early Childhood (SCSEEC) formally endorsed in December 2013.

There will always be scope for governments to provide additional support for ECEC.

Figure 2 (below) adapted from Heckman<sup>29</sup> shows that the most cost-efficient time to invest in an individual's learning is in the first three years of life.

When this finding is combined with the fact that most Australian children do not attend formal childcare in their first three years (ABS, 2012), two related policy imperatives arise.

ECEC programs and services should be 'intergenerational' initiatives that focus on helping *families* to provide the best possible start for their children. Good parenting should not be left to chance, and parents should not be left to work everything out on their own. They need access to high quality, credible and non-judgemental support.

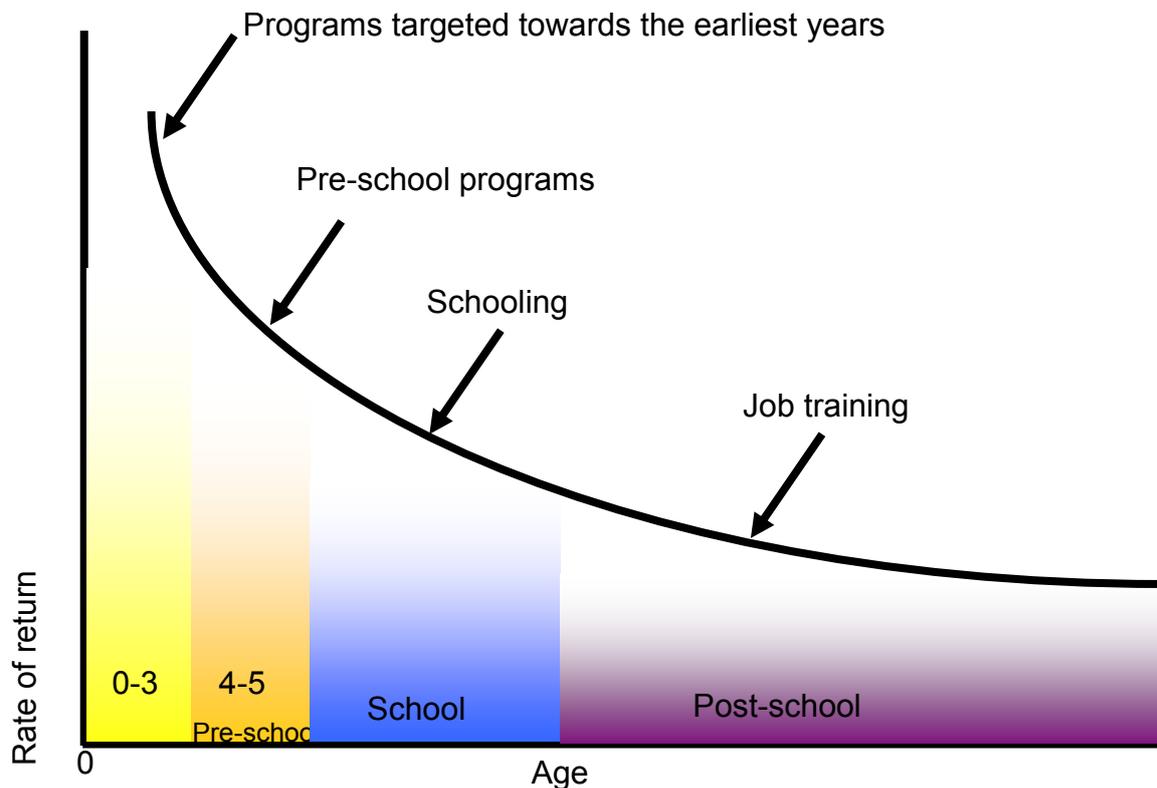
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<sup>29</sup> Heckman, J., 2008. 'Return on Investment: Cost vs. Benefits' from [http://childandfamilypolicy.duke.edu/pdfs/10yranniversary\\_Heckmanhandout.pdf](http://childandfamilypolicy.duke.edu/pdfs/10yranniversary_Heckmanhandout.pdf)

This was the central premise of the Early Childhood Development Story and the social marketing materials produced through that important project.

All childcare services must be of high quality, which is the central premise of the NP NQAECEC.

**Figure 2: Returns to a unit dollar invested**



## 5.1 Specific Government Initiatives in Western Australia

### 5.1.1 Regional Community Child Care Development Fund

In Western Australia, a partnership between the former Department for Communities (now DLGC) and the former Department of Regional Development and Lands resulted in the development and funding of the Regional Community Child Care Development Fund (RCCCDF) for the period 2012–15. This was in recognition of the importance of a thriving education and care sector in regional WA in order to sustain work, education, training and other opportunities for local families. It was agreed that nine Children’s Services Plans, using the boundaries of the Regional Development Commission be developed and collated into a state-wide regional children’s services

plan to support relevant initiatives and to inform potential policy and funding discussions between the state and Australian government.

There are several components to the RCCCDF project:

### **Support for the inclusion of children with additional needs**

The Rural Inclusion Support Program (RISP) is contracted to Child Australia. The program provides support to small rural services who do not meet eligibility requirements for this form of assistance from the Australian Government.

### **Operational grants**

Community based services can apply for funding of up to \$15,000 in any 12 month period to undertake projects to enhance their sustainability. Funding is available for operational expenses, professional development and training, information technology and governance.

### **Strategic grants**

Education and care services, peak bodies or groups of services (consortiums or partnerships) can apply for strategic grants up to \$25,000 for projects that meet the eligibility criteria. Projects need to contribute to the long term viability or sustainability of the education and care sector.

### **Development of Regional Children's Services Plan**

Plans will be developed in each of the nine Regional Development Commission regions, with contracts so far awarded to non-government organisations in seven regions. Contractors employ a development officer to work with local services and key stakeholders to develop a plan that addresses the regional issues and contributes to the viability of the sector. A budget of up to approximately \$340,000 per region has been allocated for 2013–15.

## **5.1.2 Best Start program**

The Best Start program is an early years program for Aboriginal families with young children aged 0–5 years with the primary purpose of ensuring a positive transition to primary school. Best Start aims to improve life opportunities for young Aboriginal children by ensuring they have good health and develop the social, emotional and educational skills they need to enjoy their early school years. This is achieved by providing positive age appropriate learning activities and experiences for children and their families. A coordinated service delivery approach between the DLGC and other stakeholders contributes to the success of the program. This includes many non-government agencies as well as key government departments. There are nine State-funded Best Start programs and three temporary federally-funded programs.

Best Start is well known within the Aboriginal community as a family friendly and flexible program that has had a positive impact on many young children.

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

It is noted that the Productivity Commission has requested information on different options for providing ECEC support to families including subsidies, rebates, tax deductions, limits on education and care accessed for other than work purposes and the extension of support to other care types such as nannies providing in-home care.

Western Australia understands the importance of considering initiatives that would provide families with increased support and flexibility within the current budgetary commitments; however it is important that any changes bring equitable benefits for all families.

The current formula for calculating CCB is complex and having two different payments with different types of assistance can be confusing.

### **Recommendation 7**

**It is recommended that the Productivity Commission undertakes a review of the CCCB/R scheme with a view to creating a simpler more streamlined system that offers greater financial support to families. It is important to ensure that strategies developed to increase affordability result in genuine cost savings for families.**

Families access and use education and care services for a range of purposes. The priority of access guidelines for enrolment aim to ensure that people working or engaged in work related activities receive first preference for places in services. This is intended to support workforce participation. However other parents particularly in regional areas will use education and care services for respite or as an opportunity for their children to socialize. These are again valid reasons for parents to access services. However given the budget restraints identified in the Issues Paper, placing a cap on the number of hours that non work related care can be accessed warrants consideration.

Providing support for other types of care, such as nannies, warrants further consideration. Nannies can offer families flexibility, particularly when more than one child is being cared for. However it is important to ensure that all children's safety and learning and development outcomes are of the same high standard, irrespective of the location where the education and care is provided.

### **Recommendation 8**

**It is recommended that the Productivity Commission advise the importance of In-home care service providers meeting the same regulatory requirements as other ECEC services. This should not result in funding being directed away from supporting services that families currently use.**

## **5.3 Pre-school**

Western Australia notes the demarcation set out in the issues paper between Australian Government funding for 'childcare' (see page 29) and state/territory government responsibility for funding and/or providing pre-school (on page 33).

Western Australia is concerned, however, by the inequitable allocation of Australian Government funding for pre-school which is administered through the CCB/R scheme.

It is understood that \$300 million per annum is provided by the Commonwealth through CCB/R for pre-school provision in childcare services. Nearly all of these funds go to families in New South Wales, Queensland and Victoria to off-set the fees charged by childcare services for pre-school in long day care centres. In jurisdictions such as Western Australia where pre-school is primarily delivered through the schooling sector, CCB/R funds are not part of the 'mix' of resources directed towards pre-school provision, so alternative sources of funding must be found. In Western Australia, the other source is the State. The effects of this inequity are clearly evident in Figure 3.15 of the ROGS 2014 Report.

Now that the provision of pre-school is on a similar universal footing as school provision, the Australian Government should broad-band its total contribution towards pre-school provision into one equitable allocative mechanism for distribution to states and territories to administer in the same manner as school funding. It is Western Australia's preference that the Australian Government's contribution to pre-school provision is added to the school funding envelope.

As illustrated in Table 1 of this submission, placing pre-school funding on the same footing as school funding would be consistent with the model of pre-school delivery that prevails in a majority of states and territories. It would prevent the need to renegotiate separate funding arrangements for pre-school every few years, achieve the surety of continued pre-school funding that states/territories require, permit flexibility for states/territories to deliver pre-school via the range of models that have evolved in each jurisdiction and consolidate the universal platform of pre-school provision that families across Australia have learned to expect.

## 5.4 Regional issues

It is necessary to ensure that programs experienced by children in all localities across Australia are of comparably high quality. It would not be acceptable to permit programs and services in rural and remote localities (where many of the most disadvantaged children live and where the cost of provision is highest) to languish with reduced quality because key requirements—including staff qualifications—are difficult to meet. If the standard is important, it is important for all children so a national solution to addressing workforce challenges in rural and remote localities is required.

Higher levels of assistance for the full cost of care to encourage use of ECEC services would support better outcomes for children and families experiencing, or at risk of experiencing, social exclusion. This can include children from low-employment and income families, Indigenous children, children from culturally or linguistically diverse backgrounds and children with a disability.

Priority should continue to be placed on the provision of services in communities identified by both the Socio Economic Index for Areas (SEIFA), the Australian Early Development Index (AEDI) and the Accessibility/Remoteness Index of Australia (ARIA) as having significant numbers of children being at risk for social and developmental outcomes.

Western Australia's experience of education provision in the schooling sector is that these challenges can be overcome – but that they cost considerably more. In November 2013, the Productivity Commission released a consultation draft report<sup>30</sup> on Geographic Labour Mobility. Box 4.6 on page 89 of that report noted that shortages of teachers 'more generally' exist in remote communities with school principals reporting difficulties filling staff vacancies. The Productivity Commission recommended the use of remuneration-based incentives to fill hard to staff positions.

The Remote Teaching Service (RTS) model of incentives for teachers in Western Australian public schools (including early childhood teachers from Kindergarten to Year 2 inclusive) includes free accommodation and generous leave rewards for those who stay in their communities for more than six semesters. The cost-multiplier on top of the teacher's annual salary arising from the RTS package is estimated to be at least 50 per cent.

The difficulties that schools in remote localities face in attracting early childhood teachers are likely to be exacerbated for the childcare sector which offers less attractive pay and conditions and is less able to offer the remuneration-based incentives that are offered by the school sector in Western Australia.

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<sup>30</sup> Productivity Commission, 2013. Geographic Labour Mobility – draft report.

## 5.5 Integration of publicly-provided education, health and community services

Western Australia welcomed the opportunity through the National Partnership on Indigenous Early Childhood Development (NP IECD) to establish and operate five Children and Family Centres (CFCs) in some of the most vulnerable communities. The model adopted to establish CFCs in Western Australia promotes partnerships between the State government education, health and community services agencies, not for profit service provider and the local community.

Through this integrated partnership model, the CFCs have significantly enhanced access to affordable, high quality childcare and other early childhood services in five of Australia's most vulnerable and disadvantaged Aboriginal communities.

Childcare in most CFC communities was previously funded through the Commonwealth Budget-Based Funding (BBF) program and the viability of childcare provision at the five CFCs in Western Australia will be severely compromised without ongoing operational funding from the Australian Government. It should be noted that the *Closing the Gap* principle relating to Sustainability, is that "programs and services should be directed and resourced over an adequate period to meet the COAG targets".

Examination of the Commonwealth BBF program (referred to on page 5 of the issues paper) should include consideration of how this interacts with childcare services within CFCs. Prior to the NP IECD, childcare provision in most of Western Australia's CFC sites was funded through BBF. This (appropriately) ceased through the term of the NP IECD. However, no recurrent operational funding has been identified for the CFCs when the NP IECD expires at the end of June 2014 so the viability of childcare through the CFCs – in some of Australia's most vulnerable communities – may be compromised.

More time and sustained Australian Government funding is required to establish the partnerships<sup>31</sup> which will ensure long-term benefits from the important national investment in CFCs.

### **Recommendation 9**

**That the Productivity Commission reiterates the importance of continuing the National Partnership on Indigenous Early Childhood Development (NP IECD) operational funding after the current agreement expires in June 2014.**

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<sup>31</sup> Brennan, D., 2013. Joining the Dots: options paper prepared for the Secretariat of National Aboriginal and Islander Child Care (SNAICC).

## 6 Planning for education and care services

The Issues Paper includes planning and zoning laws as possible regulatory burdens facing the provision of ECEC, but does not give any details of those which it states *“may be a particular impediment to the development of ECEC services in some local government areas”*.

However, from other recent work done in the COAG context, perceived deficiencies in planning systems have been variously expressed as:

- some local governments take far too long to assess childcare centre development applications while others have in place planning restrictions that limit the development of new centres
- these barriers [i.e. barriers to investing in new childcare services and expanding existing childcare services] include land supply, planning, development approvals and other regulations.

These are not issues in Western Australia where long day care, family day care and outside school hours care are facilitated by the planning system through:

- a consistent policy approach to planning for, and the location of, education and care services, protecting them from unsuitable or unsafe sites and noise or other neighbourhood impacts
- mechanisms for financing the provision of education and care services through developer contributions.

Planning and development approvals for childcare centres and home-based businesses are generally dealt with by Local Governments where local policies address their impacts on the neighbourhood, and neighbourhood impacts on them.

However, there is nothing about the planning approval for childcare services which would increase approval times over any other development application. In Western Australia’s experience, delays in approvals, generally, may be incurred because applicants fail to provide appropriate or adequate information with their applications, and/or because development is a dynamic process where changes during the course of the approval process may require different or further matters to be considered. Timeliness of approvals was one objective of the introduction of Development Assessment Panels (DAPs) in July 2011 covering all Local Governments throughout Western Australia, so childcare centre developments falling within the prescribed values will benefit from the DAPs approvals process.

Land for childcare services is zoned as residential land of which Metropolitan Perth has over 25 years supply to cater for future needs. So land supply is not a barrier, however, Western Australia has experienced issues with the location of childcare centres caused by concerns about noise, traffic, and amenity (such as the use of

bright and vibrant colours and designs) which may adversely impact the immediately surrounding neighbourhood. Consequently, Western Australia's planning instruments focus much attention on siting childcare centres so as to minimise the impacts of the centre on its surrounds, and the impact of the surrounds on the centre.

## 7 Considerations outside the scope of the inquiry

Regarding the question on page 12 of the issues paper, *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?*

- This matter is outside the Terms of Reference of the Inquiry.
- Western Australia notes that the length of the school day is governed by State legislation.

There may be some merit, however in re-casting the question to refer to more widespread provision of OSHC services as an important (albeit optional) dimension of *education* with a focus on children’s personal and social capabilities through a recreational program based on *My Time, Our Place*.

Patall<sup>32</sup> reports mixed results from extending the school day, and a lack of evidence on the long-term effects. However, there is some suggestion that it can be effective, “particularly for students who are most at risk of school failure and when considerations are made for how that time is used ... it is of the utmost importance that effective instructional strategies be used in schools for additional school time to be worth the costs associated with implementing it. Furthermore, it is possible that other support services, such as after-school programs, summer school programs, and other out-of-school services, may provide similar levels of academic support when extended school time is not an option for struggling students”.

There may also be merit in further increasing pre-compulsory pre-school provision to 18 hours per week which is the weekly equivalent of three full days. This may contribute to improved attendance as pre-school participation becomes more manageable for parents with half-time work fractions. Such a change, however, would necessitate increased costs for capital works (as the use of early childhood buildings has been maximized due to 15-hour programs) and recurrent funding for extra staff, utilities, consumables, etc. Any additional buildings arising from such a change, however, could also be used for two days each week to accommodate playgroups for younger children, parenting support programs and/or transition to school programs for the majority of children who do not attend childcare where parents choose to participate.

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<sup>32</sup> Patall, E.A., 2010. *Extending the School Day or School Year: A Systematic Review of Research* (1985–2009). Accessed 22 January 2014 via: <http://rer.sagepub.com/content/80/3/401.full>