



Productivity Commission Public Hearing – Melbourne, 19 August 2014

Submission presented by: Linda Davison – Coordinator, Clarendon Children's Centre

Intro: Clarendon CC is a small, (40 place) community managed, not for profit long day care centre in South Melbourne. Linda Davison is an EC educator with 40+ years of experience in the sector (sessional preschool, LDC, urban & rural settings, in Victoria and in the UK).

Clarendon Children's Centre is a strong supporter of the National Quality Framework. We find it alarming that the current federal government seems to want to withdraw support (both financial and in principal) from the COAG agreements that have created important reforms in our sector. We worry that many of the significant advances that have been made, resulting in much better outcomes for children and improved conditions for educators, will be lost under the euphemism of "cutting red tape". We believe strongly that we should not be placing the commercial imperatives of private, for-profit services (by reducing regulatory oversight) ahead of children's best interests and well-being. Similarly, while workforce participation is important, policy decisions made by government to promote workforce participation should not take priority over those that will ensure children's safety, rights and opportunities for learning. Finally, government should not continue to expect that affordability of early childhood services will be achieved at the expense of educators through continuing poor pay and conditions.

Recommendations from the Draft Report that we support:

- A single means-tested ECLS that is structured to ensure that lowest income families receive the highest benefits, and that is paid directly to service.
 - BUT – deemed cost of care needs careful modelling to ensure that it realistically reflects the cost of providing high quality ECEC
 - should include provision for a minimal level of universal access to ECEC without a requirement to meet a work/study test.
 - vulnerable children and children with additional needs should be included in the work/study test exempt group.
 - SECLS for children assessed as “at risk” should provide subsidy for 100% of the full cost of care (not just of the deemed cost of care).
 - It is worth noting that Clarendon Children’s Centre has, for many years, provided additional fees assistance for our lowest income families. Initially, this subsidy was provided within our own budget – more recently, the City of Port Phillip has contributed this in the form of an Affordability Subsidy (33% of \$CCB for families with a CCB% > 25%). This has helped us to ensure that care at our Centre remains affordable for all families.
- Divert funds from the proposed Paid Parental Leave scheme to the ECLS and to support the creation of more ECEC services.
 - PC should go further and reconceptualise the PPL as part of a suite of family support policies which incorporate Time, Cash & Services (consistent with the UNSW model)
 - likely to impact more directly on women’s workforce participation
 - addresses the greatest current need (as expressed by families)
- Continuing the Universal Access funding for 15 hours preschool
 - BUT – don’t go down the path of separating EC education from care by removing preschools from the NQF

Recommendations from the Draft Report we would ask the PC to reconsider:

- Any changes to the NQF and regulations that put commercial considerations ahead of children’s safety, rights and well-being, including:
 - Reducing the requirements for educator:child ratios (eg by “averaging” over a day or a week)
 - Removing or altering standards or elements in the NQS
 - These are already vastly reduced in comparison with the previous QIAS process
 - All 7 Quality areas are important and are inter-related
 - Reducing educator qualifications required for educators working with children aged 0-3 years
 - Children are learning from birth
 - Nurturing, responsive relationships are important for all age groups
 - Skilled, qualified EC educators are able to facilitate learning and relationships
 - Certificate III is a minimum qualification which prepares educators to support the provision of an EC program of learning and care but does not prepare educators for leadership or high levels of responsibility. (NB. Cert III are often the youngest and least experienced of our educators)
 - Encourages the provision of lower quality ECEC for babies (arguably the most vulnerable age group)
 - There is ample evidence of long term benefits of high quality ECEC for all children
 - Reduces flexibility with regard to workforce management within a service
 - At Clarendon Children’s Centre, we have three or four educators working with 11 children aged 0-2 years:
 - Room Leader has Diploma; studying for ECT; 10+ years experience
 - Diploma: studying for ECT
 - Cert III; studying for Diploma

- Removal of payroll tax and FBT tax exemptions for not-for-profit providers
 - Exemption status reflects the not-for-profit and community engagement priorities of eligible organisations - if childcare services meet the existing criteria for exemptions, they should retain this benefit.
 - For Clarendon Children’s Centre, removal of payroll tax exemption would necessitate a fee increase of \$4-5 per day
 - This would not create a “level playing field” – for-profit services are able to access different tax concessions and tax deductibility options which are not available to the not-for-profit sector. As well, for-profit services have greater capacity to raise capital and to access loan and overdraft facilities.

Other Considerations:

- There needs to be recognition of mainstream ECEC services as a protective/preventative factor for vulnerable children with the capacity to act as a support for Child Protection agencies
 - EC professionals:
 - build relationships with parents as well as with children (in a way that is not possible for specialist services)
 - can provide parental support and education
 - can act as a conduit to specialist services
- High quality ECEC is most beneficial for vulnerable children but poor quality ECEC is really bad for all children
- Research and modelling shows long term social and economic benefits of quality ECEC for children, families and the wider community
- The underlying quality of a service impacts on its capacity for inclusion especially in the period prior to assessment and diagnosis (in many cases, diagnosis is not possible until children are 2+ years old)

- Workforce recommendations in the Draft Report are primarily aimed at ‘other’ workers (EC educators are part of the workforce, too) or prioritise commercial considerations (eg reduced ratios and qualifications).
 - Needs more focus on building and strengthening the EC workforce
 - Especially recommendations that will address issues of poor pay and conditions
 - Clarendon Children’s Centre has its own Enterprise Agreement with significant higher provisions including:
 - Pay rates higher than the current Award
 - 13% superannuation
 - 5 weeks paid annual leave
 - Rostered non-contact time for all educators (for planning, documentation of learning and critical reflection)
 - Recognition of higher qualifications, years of service and additional responsibilities
 - This has helped us to become an “employer of choice” and reduces difficulties when we need to recruit new staff
 - One third of current workforce has been with us for 8+ years
 - We should be aiming for family-friendly workplaces rather than work-friendly childcare

- Documentation of children’s learning is not “red tape” – this is an important component of the learning/teaching process and should not be categorized as an “administrative or regulatory burden”