



Eureka Community Kindergarten Association (ECKA)
Response to Productivity Commission Inquiry into
Childcare and Early Childhood Learning Draft Report 2014

The Eureka Community Kindergarten Association (ECKA) is a Kindergarten Cluster Manager in Regional Victoria, managing 24 kindergarten programs including rural and small rural, long day care and occasional care services. These services are located in five local government areas in Ballarat and surrounds. ECKA works closely with each local government area to deliver affordable high quality services which meet the needs of the communities.

The ECKA Board welcomes many of the recommendations of the report, including a single child based subsidy paid directly to the provider, which makes it more affordable for parents and leads to greater workforce participation. Removal of the minimum and maximum hours for long day care will allow for flexible childcare arrangements which meet the needs of rural communities, and increased support for children at risk is critical to facilitate the best outcomes for children and communities.

ECKA would like to make comments and raise concerns on the following Productivity Commission recommendations;

1. Preschool funding for 15 hours of kindergarten.

ECKA strongly supports the recommendation for State and Federal Governments to fund 15 hours of kindergarten for all eligible children in the year before school. ECKA requests that the funding of these hours remains transparent, identifiable and recurrent. Funding must not be tied to any short term partnerships and the commitment to the funding must be tangible and ongoing. Withdrawal of any funding for 15 hours would have a significant negative impact on the educational outcomes for children, and result in redundancies and reduction in hours for up to one third of our workforce. (draft recommendation 12.9)

2. Removing kindergarten from the National Quality Framework.

We request you to repeal the recommendation to remove kindergartens from the NQF. We believe that if a National Framework for quality delivery of childcare and early learning services exists, that kindergarten programs should not be excluded from it. Our experience since the introduction of the NQF into kindergarten in 2012, has been extremely positive.

We have identified an increase in participation and responsibility for the management and delivery of programs and services from all Educators. It is no longer just Early Childhood Teachers taking responsibility for achieving quality benchmarks, but, Assistants are also providing valuable input and ownership for delivering high quality programs, which is a change from the previous system where Assistants and other educators were often excluded from decision making.

We have strong evidence that the NQF has fostered a culture of continuous improvement within the Educational teams operating at each of our services, which is being driven not only by ECKA Management, but also by the Educators themselves. The NQF has united the Early Education and Care Sector as a whole and helped to facilitate stronger links between services, with these links benefiting children and families and assisting with transitions.

Having all of our services, whether long day care or sessional kindergarten, under the one regulatory framework makes it easier, less confusing and safer than returning part of our service system to state regulation, while part of it remains under the NQF. (draft recommendation 7.9)

3. Removal of FBT and Payroll tax exemptions.

We request you to repeal your recommendation to remove FBT and Payroll tax exemptions from not for profit organisations. The removal of these taxes will not provide a level playing field, and will indeed result in hardship and viability issues for our organisation. Many individual centres and standalone kindergartens will come under the threshold for Payroll tax and will not be affected by this change, but Kindergarten Cluster Managers such as ourselves, who provide a very effective and strong platform for the delivery of a range of community kindergarten and childcare services, will be significantly affected.

Our current staff wages and salaries budget of just over 4 million dollars, would attract a payroll tax of approximately \$174,000.00. As a regional Cluster Manager we face issues of sustainability and viability in our rural services every year, and parents and communities are forced to fundraise large amounts each year to retain their kindergarten service. Two of our rural services have less than 20 children in 2014, which means a very small group of parents are forced to undertake a large amount of fundraising activities. Removing payroll tax exemption would have such a significant financial impact that many of our kindergartens may have to consider leaving cluster management and returning to a standalone parent run service to avoid the extra cost of running their service. Any tax which results in kindergartens being forced to return to a parent managed service to remain viable is not acceptable, and we strongly oppose it. (draft recommendation 10.1)

The ECKA Board hope that you will give strong consideration to the areas of concern that have been raised in our submission. ECKA is committed to providing high quality early learning programs which result in the best educational outcomes for all children in our communities, and we believe that the areas addressed in this submission are critical contributors to achieving this outcome.