

We appreciate the opportunity to again be able to contribute to the Productivity Commission's Inquiry into the Early Childhood Education and Care (ECEC) sector.

We would again like to state our belief that the priority of the Government should be in protecting the right of their most vulnerable and valuable citizens – children - to have the best possible care and education in a setting that maintains the highest standards. When determining policy that affects children as directly as this area, “good enough” should not be good enough!

QUALITY MATTERS

The draft report identifies that the participation of parents, particularly mothers of children under fifteen years, in the workforce in Australia is currently well below the OECD average. Draft finding 6.3 states that parents are experiencing “difficulties with the costs and accessibility of suitable childcare”. Draft finding 6.5 identifies the “preference of parents to look after their own (particular very young) children”. Both of these findings seem to acknowledge what I believe is the most important factor in this whole sector and that is that **quality matters**.

For parents to commit to returning to work and to take on the challenge of balancing working outside the home with maintaining a healthy and happy family life they have to be confident that their children are in a service that is providing them with quality ECEC. For parents to be productive, effective employees they have to be able to go to work knowing that their children are in the best possible situation they can be. The younger the child, the more important it is for parents to know their child is in the care of educators they trust.

Countries with the highest levels of workforce participation (above the OECD average as used by the Commission) are those where they have invested in ECEC, where parents believe that they are doing the best by their children by accessing these services, where society values the work done by ECEC educators, requires them to be highly qualified and pays them accordingly and where the link between ECEC and to the achievement of societies broader goals is acknowledged.

Quality in ECEC comes down almost solely to the educators involved. Parents want to be able to hand their children over to educators they know and trust, they want to have an ongoing relationship with the educators and to know that they have the experience and skills to ensure that while the children are at the service their emotional, physical, educational and social needs are being met. Parents are also looking for smaller group sizes as they are aware that this is a primary factor for quality to happen. If your child is receiving one to one care at home than even the current ratios look pretty big to a parent.

A couple of us previously worked together at a service which operated on a shoestring budget, out of a building that would not get approval today yet we were always full because the educators were highly committed to meeting the needs of the children, had excellent relationships with the families built up over a number of years and had the experience and skills to be able to provide the children and families with the support they needed.

Over the last twenty years each successive change to the regulations on the sector has been working towards making the conditions for children and families better and better:

- Better ratios
- Increases in training requirements for educators
- Programs that build on accepted research that the early years, primarily the birth to three years are where we can make the greatest impact on children's future lives and
- Acknowledging that our role as educators is also important in supporting parents in their parenting in a society where people are often disconnected from extended family support

The result of **this** policy direction has been that more families are accessing ECEC and that there is more workforce participation than ever – the very goals the government is seeking with this inquiry.

If history shows that increasing quality in ECEC leads to an improvement in workforce participation rates and the experience of other countries backs this link up, why is the Commission recommending changes to the sector that will ultimately reduce quality?

The real crisis in ECEC has come about because one extremely significant part of the equation has been left out and that is the educators. Educators are carrying the burden of both providing the increased quality service through working to get better qualifications and implementing the NQF and by subsidising the true cost of ECEC by working for wages that are shockingly low.

There are issues of accessibility at the moment because most centres have trouble finding suitable staff to maintain their existing capacity. There is no way the sector can improve accessibility by simply building new centres, getting council to approve centres in different areas, having centres be open more days or longer hours until the fundamental issues around finding and keeping staff are addressed.

The report states that there are no regulatory barriers to the sector simply increasing wages to attract more staff and that it is not the government's role to be involved in setting wages. The government itself places the emphasis on childcare as a means to workforce participation and is very vocal about the need for childcare to be accessible and affordable. If it is the role of the government to determine how almost every other aspect of the sector must operate and to be constantly directing the sector as to how it should proceed then surely it is not unreasonable for families and educators themselves to believe that the government should also be able to say that they have a role in fixing the primary issue in the sector – lack of professional wages?

Under the current system if a centre did increase fees to pay professional wages the result would be families being unable to afford the increase, centres becoming unviable and closing and a reduction in the number of available places plus some unemployed educators. Access and affordability will only be achieved when ECEC have the capacity to expand and when families are assisted to pay the true costs.

Reduction in qualification requirements for educators working with 0-3 years age group

The government and the Commission's draft report are also complicit in the current work force issues in the ECEC sector as both are undervaluing the work done by ECEC educators. Both are also ignoring the vast amount of international research done over the last decade that shows that it is during

this very part of a child's life that there is the greatest amount of development and the greatest scope for setting these children on the path to a productive, happy and healthy adulthood. If funding is being made on a "net community benefit" model than investment in these years gives a massive return in preventing or limiting costly interventions later in life.

If the government is truly interested in getting parents back into the workforce as soon as possible after the birth of their child, if they want to get value for money on their investment in ECEC then this can only be achieved by ensuring that the educators working with this age group are the most educated, most skilled and most experienced.

At our centre out of the group of six educators who work with our 0-3year olds three have Diplomas, two have Early Childhood Teaching and one is currently completing her Diploma. Our parents value the wealth of experience and knowledge these educators possess and they are able to support parents in all aspects of parenting. When new families are visiting the centre they are reassured that their baby or very young child will be cared for by such highly trained and experienced educators.

Certificate 3 is only designed to be a foundation course for educators and the understanding is that educators with qualification will be working with Diploma or Teacher trained educators. This qualification can be obtained in under a year and directly out of college. Newly qualified educators with only a Certificate 3 do not have the experience or skills to be running a room. We find it hard to imagine how such a scenario would inspire confidence in parents looking for care for their child. Training and experience are highly valued by parents!

By suggesting that only a Certificate 3 is required for the majority of educators in the sector it sends a message to those educators and the wider community that the work we do is not really valuable because anyone could do it with only a minimum amount of training. It demeans the work and time and effort educators have put into training and upskilling themselves. It denies the value of the experience and skills Diploma and ECT qualified educators bring to the sector and to the children and families they work with.

The motivation of educators in increasing their skill level has been that they can provide the best possible care for the children they work with. There is a very minimal financial advantage to moving from a certificate three to a diploma qualification. Educators have the best interests of the children as their motivation.

Allowing services to temporarily operate with staffing levels below required ratios, such as by maintaining staffing levels on average (over a day or week) rather than at all times.

What is worse is that the draft report takes this disregard for educators and young children one step further by recommending that ratios can be averaged over a week. Ratios are meant to be the minimum number of staff required to provide quality care for the children. If the ratio requirement is able to be averaged it says to educators “actually it doesn’t really matter if you are there or not at any one time because we only care that the numbers work over the week”. To the children and families that are in care on a day when the centre is operating with less staff than required by the ratio it says “we don’t care that you are receiving lesser care because the children on another day had extra staff working with them so it averages out OK”

If a service is over ratio on a particular day and they are able to use that as a justification for having insufficient staff on the following day because across the two days “on average” they are meeting the ratio how does this help the children in care on the day when there is less staff? How can you justify the risk to their health and safety, as well as the substandard care they receive and the stress to the educators who have to carry the burden on the below ratio day???

Provision to average ratios is really just a reduction in ratios by stealth and will be used by less than quality services to cut costs at the expense of the children’s quality of care.

MEETING THE NEEDS OF FAMILIES WITH CHILDREN WITH ADDITIONAL NEEDS AND IDENTIFYING CHILDREN ALREADY ACCESSING THE SERVICE WITH ADDITIONAL NEEDS

In our experience the biggest barrier to families with children with additional needs accessing ECEC services is finding a service they believe can meet the needs of their child. For any parent leaving their child in care is a big step – for families of children who have often complex medical, communication, behavioural and physical needs this is an almost insurmountable barrier. The trust that is required is immense and can only be built up over time and by having educators who are highly qualified and experienced and who are able to provide the parents with the reassurance they need.

For services having a child with additional needs is a challenge – financially, physically and emotionally. With current funding services are always out of pocket because the cost of providing the additional staff required is not fully funded, a service may have to provide different equipment or make modifications to their building and the extra responsibility of providing medical care with little or no training adds to the stress educators are under without any commensurate increase in pay.

Current funding aims to “upskill” educators to provide the required care but this does not address the extra time that is required that is taken away from the other children. Depending on the level of needs even an additional educator is not enough.

We agree with the Commissions finding that ECEC should be accessible, affordable and flexible enough to meet the needs of these children (as well as those “at risk” or experiencing other issues) but many of the Commission’s other recommendations will make it harder for these families to find suitable care:

- these children require educators with high levels of training and experience to create and deliver appropriate programs and support families yet the Commission is recommending a reduction in qualification levels across the sector
- these children often require additional staff yet the commission is proposing allowing services to “average” ratios

- these families are often the families that do not meet the activity test due to the high level of care required and requirement to take children to specialised appointments and intervention services and who would benefit the most from having some time in the week for themselves or to spend with other children yet the Commission is recommending removing all subsidies from these families

The other issue around children with additional needs alluded to in Information Request 12.9 is the early identification of children that are developmentally vulnerable. ECEC services have an important role to play in this. In our experience the majority of children with additional needs in care are ones where the service has been responsible for identifying that there may be an issue and working with parents to access appropriate early intervention services. We have seen time and time again the difference early intervention makes. We have also seen many instances where a family has been unaware that their child's behaviour or development is a cause for concern as they do not have the experience of "normal" that we do seeing hundreds of children developing each year.

We had a child present at the service a couple of years ago who was three and a half and was not speaking, showed some very idiosyncratic behaviour patterns and would not make eye contact with any one. His parents had been told by their GP that he would start talking "eventually". We were immediately concerned and organised for our ISS representative to visit. The end result was his parents sought help from a specialist paediatrician and he was diagnosed with being on the Autism spectrum. Appropriate services were accessed and he started being able to function more effectively and his parents were able to get support.

Early intervention is the biggest indicator for a positive future outcome in all cases whether it be a medical, behavioural or social issue. These children are more likely to continue accessing care and their parents to stay in the workforce because they already have the trust relationship with the service. This is only possible if the educators working with young children especially the 0-3 age group have the **skills and experience** to identify if there is a potential issue and know where and how to proceed. Reducing the qualification requirement for this age group will significantly reduce the chance of any

issues being identified. If the Commission truly wants to assist these children in getting the services they need this age group needs the most qualified and most experienced educators!

The other important factor in providing ECEC services for these children and families is the continuity of educators working in services. There is a currently an extremely high turnover of educators in ECEC services as educators leave the sector to find position where their pay reflects the skills they have and the expectations placed on them each day. If this fundamental issue is not addressed than any other measures put into place to try and provide support for these children and families will fail. There is no point in funding additional educators to support these children's involvement in the program if services are unable to find educators to take on the role, there is no point in providing funding for "upskilling" educators if they are going to leave the sector and take their skills with them, there is no point in saying that the government will provide support for families to put their children in care if the families do not believe that their child will receive quality care from whatever service they use!

REMOVING ACCESS TO SUBSIDISED CARE FOR FAMILIES WHO DO NOT MEET THE ACTIVITY TEST

Removing access to subsidised care from families who do not meet the current activity test denies the benefits received by children, parents and the wider community of these children accessing ECEC services.

The majority of families that do not meet the activity test are by definition on a single income (or one and a very small part time income), living off a government payment or are unable to study or work for a variety of reasons. The children in these families are the ones that will potentially benefit the most from access to quality ECEC services.

Access to early education, socialisation with other children, identification of any developmental issues and early intervention all happen when these families are supported in accessing ECEC. The cost of this support in the early years is far outweighed by the cost of trying to deal with any issues when the child is older and enters the formal school system.

Subsidised access to ECEC also means that the parents of these children are able to contribute to their community by taking on voluntary roles. The majority of parents at our centre use the time their child is in care to be involved in local schools and other community organisations. The work they do certainly contributes a “net benefit” to the community.

Subsidised access to ECEC is also often the only time to themselves these parents get through the week. Having this time enables them to be more effective in their parenting role. Becoming part of an ECEC community provides these often isolated parents with access to information, support and networks that may otherwise not have.

EXTENDING SUBSIDISED CARE TO FAMILIES USING NANNIES THAT HAVE CERTIFICATE 3 QUALIFICATIONS AND MEET NQF REQUIREMENTS

We believe there are several serious issues with this proposal:

- Currently regulatory bodies are struggling to ensure that existing services are being assessed under the NQF within the appropriate timeframes – how will they be able to manage if they are also responsible for the extra workload this recommendation would mean?
- It is acknowledged that there is a shortage of qualified educators in the ECEC sector with many services struggling to find suitable staff. This recommendation would mean that the existing pool of educators would be stretched even thinner. Families on lower incomes that rely on centre based care would be unable to afford a nanny and the centres they rely on would become increasingly expensive as they are forced to increase fees to be able to match the wages being offered by families on higher incomes that can afford to pay a nanny.
- The net effect of this would be decreased participation in the workforce and an increase in the affordability of care for the majority of families which are not the desired outcomes the government is seeking.
- In home care services currently exist where there is a single provider that takes on the role of ensuring that in home educators meet the required standards. The service and a selection of educators could then be assessed to ensure that NQF standards are being met. This model also provides the educators themselves with some protection from

being exploited or abused if they are working individually. This would be particularly important if nannies are being recruited from overseas who may have factors working against their ability to protect their rights in the workplace.

- If nannies are to provide ECEC services under the NQF framework they should have a level of qualification greater than just Certificate 3. If nannies are to meet the NQF standards without support from an coordination unit (as in FDC and In Home Care services) then at least Diploma level would seem more appropriate both to ensure the standard of care and that the nanny has the skills and knowledge to meet the requirements.

CHANGES TO REQUIREMENTS FOR OSHC SERVICES

OSHC fills a very different role and serves a very different community than LDC and FDC and we believe that the NQF needs to reflect this. Changes to the programming requirement could be made to reflect this.

The recommendation that schools be directed to take responsibility for organising the provision of OSHC should also be extended to reflect that the school plays a huge role in the ability of an OSHC to meet the requirements of the NQF. Many areas covered by the NQF are outside the control of a service provider (where that provider is not the school itself) and providers have to spend a lot of time and energy in trying to get schools to provide the required facilities or level of support.

We believe that the schools should be included in any Assessment and Ratings process for OSHC services and their role and relationship with the service providers should be part of the assessment.

CHANGES TO THE NQF AND ASSESSMENT AND RATINGS SYSTEM

We do not believe the NQF needs changing other than a few minor modifications to the Assessment and Ratings system.

The pace of assessments is an area that could be improved. Our service is currently waiting to receive our draft report, at the time of writing it has been 12 weeks since our visit. The visit itself carries an amount of stress for educators but to go through the visit and have no idea how it went for three

months after is even more stressful. Until you have that report you do not know if you are on the right track so you go into a “holding pattern” as you await the result. This is not a very productive state of mind!

The final rating receive should show as clearly as possible the situation in each service. Removing the overall rating that attempts to average the results in each Quality Area and just awarding a rating in each area would provide parents with a much fuller and clearer picture of the service’s quality profile.

Not knowing how the process operates post visit for the regulatory authority staff we cannot say exactly how this pace can be increased but it would seem obvious that more people doing the assessments would be a good place to start.

Our other comment around the NQF regulations would be that many of the issues that the government has identified as being related to the NQF – in particular the concept of “regulatory burden” that was the focus of the recent NQF reviews- are more to do with the sector having to deal with regulatory changes than the changes themselves.

Any change is stressful and requires an investment of time and education to be able to transition from the old to the new. The ECEC sector dealt with a new curriculum, the Early Years Learning Framework, and then the introduction of the NQF in a relatively short space of time. Combined these changes meant that almost every aspect of our work was affected. The burden was in changing – once the new systems were in place the work load remains the same, in some cases even less as a lot of the doubling up between licensing and accreditation has been removed.

Changes to the way regulatory authorities operate that make the Assessment and Rating process faster and the resulting rating clearer would be welcomed; changes to the NQF would not!

FUNDING ARRANGEMENTS FOR ECEC SERVICES AND FOR FAMILIES USING THOSE SERVICES

We support the simplification of the current CCB/CCR system of payment to parents provided that no one is worse off under the new subsidy. Parents find the current arrangement very confusing and gaining access to the subsidies is very time consuming.

Paying the new subsidy directly to services in all cases will also benefit services as currently parents can receive the benefits directly to their bank accounts yet not pay their fees to the service. For smaller services this can cause cash flow problems as well as the cost of the time spent chasing up money from parents.

The concept of having a deemed cost of care that is used as the basis for calculating subsidies is not much different to the government currently setting the rate of CCB or putting a cap on CCR payments. We appreciate that setting a cost that accurately reflects the range of services across the country and their individual costs would be difficult. Maybe a formula could be worked out based on localised costs such as rent, cost of living prices and other relevant factors such as remoteness, socio economic region or particular specific issues?

Replacing the current Special Child Care Benefit which pays 100% of the actual cost of care for families experiencing temporary financial hardship or for families where the child is at risk with a subsidy that only pays 100% of the deemed cost will adversely affect the families using care that are going through the worse situations or prevent children at risk from being able to access care at all.

Families that access Special CCB for temporary financial hardship are already enrolled in services so if they are in a services that charges above the “deemed” rate the subsidy may not be enough to help them out. Children identified as being at risk may not be helped by a subsidy that only pays 100% of deemed cost if places are only available in services that charge over this amount and families cannot afford to make up the difference.

OUR VISION

We believe that there is a direction for the ECEC sector that is cost effective in terms of “net community benefit”, that encourages parents to return to the workforce confident that their children are in the best possible setting, that enables children to receive the best education and care whatever their age, family circumstance or location and that provides educators with the professional recognition they deserve.

If the government was to accept all the current research into the importance of all the early years – not just from 3 years up

If the government was to see that ECEC is not about buildings or opening hours or planning permissions but educators and that if there are no educators there is no ECEC

If the government was to recognise that ECEC educators are professionals whose work provides much more than care and education for children but also helps parents be more effective parents, links them to community organisations and resources and in many cases takes the place of traditional family support

If the government was prepared to fund ECEC services (either directly or through a subsidy system to parents) so they could afford to pay professional wages without parents having to have their child care fees doubled

If the government was to start valuing ECEC and promoting the value of ECEC to parents as being of immense value to their child not just as a holding pen while parents are at work

If all THIS was to happen then

more people would want to use ECEC services,

more people would be working so tax revenue would increase

more people would want to become educators,

the quality of our sector would improve

more services would be able to open or extend,

cost to government of services for these children later in life would be reduced,

and above all outcomes for children would improve.

This is what could be achieved –the goals of the government, the goals of the sector and the best for our children.

Hemali Weragoda, Diploma, 30 years experience

Samhita Sharma, Cert 3, studying Diploma, 4 years experience

Casey Budge, Diploma, 5 years experience

Lisha Behrens, Early Childhood Teacher, 30 years experience

Gillian Hickman, Diploma, 25 years experience

Kati Dunn, Early Childhood Teacher, 25 years experience

Lynne New, Diploma, 25 years experience

Katie Watts, Diploma, 8 years experience and

Tara Moody, Early Childhood Teacher, 5 years experience

Rosny Child Care Centre

Montagu Bay, Tasmania