

4 September 2014

Childcare and Early Childhood Learning  
Commission Secretary  
Productivity Commission  
GPO Box 1428  
CANBERRA ACT 2601

**Wanslea Family Services  
Submission to the Productivity Commission  
Childcare and Early Childhood Learning**

Wanslea welcomes the opportunity to respond to the Productivity Commission report.

Wanslea is a not for profit agency in Western Australia, and has been offering childcare since 1985. A full range of options is provided through four long day care centres, four outside school hours care centres, two family day care services across four sites and in home care. The service provision is across metropolitan Perth, regional, rural and remote Western Australia including the Great Southern, Peel, Goldfields and Esperance. Wanslea has over 200 educators educating more than 1,200 children each week. The agency also provides services for families who are 'vulnerable' and where children are 'at risk', foster care and support programs for grandparents who have the full time care of their grandchildren.

The Productivity Commission report provides an opportunity to consider the needs of families in the provision of childcare for their children.

The report has significantly shifted the goal posts for childcare. It appears to be focussed on meeting the needs of working families only, and families that have a stay at home parent will be required to pay full fees for their child's attendance, irrespective of their income.

Over the past four years there has been a growing body of evidence that indicates that all children benefit from an early learning education experience, be it a formal kindergarten through a school, or the equivalent through childcare. The community has been encouraged to ensure all children participate in a formal environment to promote their learning and development, grow social skills and reach milestones prior to entering the formal education system. The recommendations of this report appear to undo this international thinking of universal access and benefit.

The focus of childcare has been to ensure parents have access to care that enables them to participate in the workforce. However, the report doesn't take into account some of the structural difficulties inherent for providers and families.

1. There are priorities for access to childcare with the first being where children are deemed to be 'at risk'. Evidence suggests that children 'at risk' are likely to be growing up in lower socio-economic families, and for many of these families childcare remains an option that is too expensive, even with places being subsidised. Most providers need an upfront payment of two weeks in advance to secure a place, which is beyond the financial resources of many families
2. Children 'at risk' are very often placed in foster care or kinship care. The out of home care system is in crisis with over 40,000 children in care, over 50% are Aboriginal and over 50% are under five years. They are our most vulnerable and will benefit most from a quality childcare experience in preparation for formal education. Children placed in kinship care, often with grandparents, also need access to quality childcare. These groups of children should be receiving free childcare fully subsidised by the Government. At present there is cost shifting between Commonwealth and State Governments where the State out of home care providers are paying for care, foster carers are means tested and rebates and CCB are based on carer income. Carers are volunteers and the subsidies they receive are not sufficient to incorporate childcare costs. Most carers are employed outside the home resulting in childcare being a necessity if care is to continue and if, as a community, there is a commitment to children growing up in a family environment.

Whilst the Report identifies an 'at risk' pathway to access childcare it is lacking the definition required for children who have been removed from their families and placed in either kinship or out of home care. There is also a significant group of children living with grandparents in 'informal' care arrangement ie children in this category are also 'at risk' due to the circumstances of their birth families and must have access to free childcare. Children living permanently with grandparents currently access twenty five hours per week of free care and this must continue in the new funding environment.

3. Family Day Care needs to be recognised as a mainstream option for childcare.

Family Day Care:

- offers employment for thousands of educators (primarily women) who are able to balance the needs of their families with paid employment by working from home
- provides government with an income tax stream that will be lost if Family Day Care is no longer viable as a business model. This group of educators will potentially be added to the unemployment statistics and at the least, their skills will be lost to the education and care of children
- provides the educators own children the opportunity, to come home from school to a caring environment that is 'home', minimising pressure on outside school hours care providers if the educator needs to seek work outside the home
- offers a very flexible option of childcare for parents who do not work usual business hours. This does not only include shift workers, but also workers who start early or finish late as part of their regular working hours, or who work weekends eg tradesmen, professional staff, retail workers, hospitality staff. The report recommends that Family Day Care not be considered a mainstream option without offering any alternative for this group of parents and their children. Long Day Care Centres cannot offer the required flexibility that is affordable or practical

- offers an option that meets the needs of children who may not be comfortable in large group settings. If childcare is to be child focussed and child led (National Quality Framework) it needs to cater for the needs of individual children
- some children are intimidated by large group settings and are unable to 'join', for these children Family Day Care is a good introduction through a small group setting to learning how to manage being in a group
- very young children and babies may be better served by a small group that enables them to have their own routines, particularly around sleeping
- children who have a developmental delay, either physical or cognitive, are more likely to get the one-on-one attention they need in a small group setting, opportunity to practise new leanings and therapies if needed

#### 4. Qualifications and Ratios

Wanslea supports, in part, the Productivity Commission's preferred model of childcare and fully supports the current National Quality Framework to which childcare providers must adhere. WELD believes that any "watering down" of qualifications, ratios or other National Standards will drastically reduce the quality of care and education that the industry is working towards achieving and has driven the direction over the past four years.

The allocation of funding for preschool programs in Western Australia is not available for programs delivered in a long day care setting. Wanslea supports payments to states and territories be adjusted if funding is not provided to these centres.

The following recommendations are also of concern:

- lesser qualification requirements for the care and education of children under three years. Wanslea does not believe that this is in the best interest of children. Educators with a diploma or higher qualification have the knowledge, understanding and ability to apply child development learning into child led environments. Educators with a Certificate III in childcare do not get exposure to this level of learning and knowledge. Lessening the qualifications in care and education for children under three will lead to children with developmental issues slipping through the safety net and missing out on early intervention strategies
- removing eligibility for not for profit childcare providers to payroll tax exemptions may seem an easy way of levelling the 'playing field' in the sector. However, for profits have access to capital raising opportunities that are unavailable to not for profits that have not been mentioned in the report. As a charitable institution any surpluses made by Wanslea are used to the betterment of the community in which the agency works.

#### 5. Funding/subsidy model

Wanslea supports the single subsidy proposal that will streamline payments for families, and make the rebate and benefit system less complicated. The subsidy should be paid directly to the service, minimising the risk of families defaulting on payments and assisting providers in managing their cash flow.

The proposed deemed fee that is suggested as a basis for assessing the level of Government support must be realistic and take into account:

- the cost for meeting or exceeding national standards as opposed to working towards the standards
  - fixed rental costs
  - staff costs that ensure staff are paid a salary that is commensurate with the work undertaken and values educating and caring for children as more than child minding
  - size of the service as there are fixed costs that cannot be spread if the occupancy is low
  - the location of the service as it is costly providing services in regional and remote areas particularly in the larger states such as Western Australia.
6. Decisions made now have far-reaching consequences and it is important that this opportunity is taken to provide quality care with equitable access for our children.

Yours sincerely

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**Tricia Murray**  
Chief Executive Officer