

NFCC Response to Productivity Commission Draft report

North Fitzroy Child Care Co-operative welcomes the opportunity to respond to the Productivity Commission Issues Paper on Childcare and Early Childhood Learning.

North Fitzroy Child Care Co-operative is a small 27 place community based not for profit service providing education and care to children aged from 8 months to 5 years. We have been operating for over 35 years and have strong commitment to quality for children, families, staff and the community.

We recognise that early childhood is a vital period in children's lives and is the foundation for future development, health and well being. Research continues to highlight the fundamental importance of early experiences on a child's developing brain. Children exposed to consistent, predictable, nurturing and rich experiences will develop capabilities that increase their chance for good, long-term health, productivity and creativity.

We see the creation of a stable and suitably qualified early childhood team as being fundamental to the provision of a quality service and we support this through ongoing training and development and remuneration that reflect the importance of the work that educators provide to children and families.

We also recognise the importance families have about quality, including that their children are safe and that their developmental and educational needs are being met. We understand that parents will not return to the workforce unless they have access to quality affordable education and care. It is important that providing choice and affordable services for parents in the short-term does not compromise the education, care and long-term outcomes of the children. Working parents need to be confident and reassured about high quality if they are to be productive and effective at work.

The quality of early childhood settings impacts on children's daily experiences, their healthy brain development, as well as their response to experiences at school and throughout their lives. High quality early childhood settings benefit children socially, behaviourally and intellectually well into their childhood and later life (Sammon et al., 2004). In comparison, low quality early childhood settings can lead to children being more aggressive, less able to regulate their behaviour and having language difficulties (Baker, Gruber and Milligan, 2005). These benefits and effects are amplified for vulnerable children from disadvantaged backgrounds (Melhuish, 2004).

In light of this, North Fitzroy Child care Co-operative welcomes the following recommendations from the Productivity Commission:

- Introduction of a single subsidy to replace CCB and CCR
- Diverting funding from the proposed new Paid Parental Leave scheme to create more early childhood education and care opportunities
- Increase investment in subsidies for low income families

- Ongoing funding by the Australian Government for universal access to 15 hours of preschool per week
- Extending the scope of the National Quality Framework to include all centre and home based services that receive Australian Government assistance
- Encouragement for employers to trial innovative approaches to flexible work and other family friendly arrangements
- Implementing a nationally recognised working with children check
- Viability assistance to providers in rural, regional and remote areas

North Fitzroy Child Care Co-operative disagrees with the following recommendations and believes that their implementation would not be in the interests of children and their right to access quality community managed education and care

- Allowing services to temporarily operate with staffing levels below required ratios (by averaging over a day or a week)
- Requiring educators working with children under 3 to only hold a certificate III level qualification – no Diplomas required
- Simplifying the National Quality Standard and identifying standards or elements that can be removed or altered while maintaining quality
- Removal of preschools from the scope of the NQF
- Removal of eligibility of not for profit providers to payroll tax and fringe benefit tax exemptions

NFCC strongly supports the continued implementation of the NQF and in maintaining the current levels of staff/child ratios and qualifications. There is a great deal of research available that supports the need to have suitably qualified educators working with young children that have an understanding of the importance of brain development during these formative years and who can effectively support this. The foundation for many aspects of quality in early childhood education and care settings is staff-to-child ratios and group size. Staff-to-child ratios and group size are important for health, reducing risks to children and enhancing educator's capacity to develop positive relationships with children. Small ratios and group sizes are particularly beneficial for children under two years.

We strongly believe that the NQF has had a significant impact in improving the quality of early childhood services as well as creating a collaborative partnership across all disciplines involved in the education and care of children and families. Therefore extending the scope of the National Quality Framework to include all centre and home based services that receive

Australian Government assistance would be beneficial. The removal of kindergartens from participating in the NQF will only divide the sector and have a negative impact on the positive transition between child care, kindergarten and school services.

For the many community managed services that have been operating at above minimum standards for many years, the financial impact of the NQF has been less significant than for the private sector. Some community managed services have needed to make adjustments and these costs have been factored in overtime with any fee increases being partly offset by increases in government subsidies to families.

Removing the eligibility of not for profit providers to Payroll Tax and Fringe Benefit Tax exemptions would have significant impact on our services in being able to continue to provide cost effective quality education and care to our families. This would not create a “level playing field” as for-profit services are able to access different tax concessions and tax deductibility options which are not available to the not-for-profit sector. Losing these benefits would mean higher fees and increasing the risk of making quality community managed care unaffordable for families. As a result the cost of these changes would have an adverse impact on service viability particularly for a small service such as ours.

While Childcare has specific and undeniable links to productivity and workforce participation, this is by no means the sole purpose of the sector's existence and any attempt to balance support for workforce participation should not impact on the quality of the educational and or care experience for young children into the future. Consideration regarding the quality of education and care and the associated outcomes for children's safety, rights and opportunities for learning need to be at the forefront of any proposed changes.

Parents must have confidence in the quality and integrity of the system to which they entrust their children. The role of government in ensuring quality in the ECEC sector, and providing the funding to support this quality, is therefore critical to encouraging greater workforce participation.

Given the significance of the early years on children's well-being and long term outcomes, we need to ensure that our early childhood education and care system delivers quality services that meet the needs of children and families. **Good quality** early childhood education and care represents one of the most effective investments we can make in terms of cost benefits, the well-being of our children and the future well-being and productivity of Australia.