
Productivity Commission's Childcare and Early Childhood Learning Draft Report Response from the Victorian Children's Council

Introduction

The Victorian Children's Council (the Council) was established in 2005 under the Victorian *Child Wellbeing and Safety Act 2005* to provide independent and expert advice to the Premier, the Minister for Community Services and the Minister for Children and Early Childhood Development on policies and services that enhance the health, wellbeing, development and safety of children.

The Council has monitored and advised upon aspects of early childhood policy and planning over the past nine years, and has particularly been supportive of coordinated Commonwealth and State initiatives to improve the developmental benefits of early childhood education and care (ECEC), and Victorian initiatives to 'join the dots' between these and other supports and services for families in the early years, particularly where families have high needs or children may be vulnerable to harm.

The Council appreciated the opportunity to prepare a submission (437) to the Productivity Commission's Inquiry into Childcare and Early Childhood Learning.

The Council believes that the Inquiry is a once-in-a-lifetime opportunity to ensure that provision of early childhood services in Australia firstly meets the needs of children, and secondly meets the needs of families and the community. We congratulate the Commission for its work and for many of the recommendations with which we concur, especially those that promote more affordable, equitable, accessible, flexible and integrated services for families.

The Council is particularly supportive of ***Draft Recommendation 12.9*** which recommends that: *The Australian Government should continue to provide per child payments to the states and territories for universal access to a preschool program of 15 hours per week for 40 weeks per year.*¹

The Council does, however, have concerns about a small number of recommendations and draft findings. These have the potential, if implemented, to move away from a unified approach to the provision of high quality ECEC which can promote children's wellbeing, development and learning.

These concerns are set out in the table below, grouped under each of the Council's original nine proposals to the Commission. We welcome the opportunity to comment further.

¹ Productivity Commission 2014, *Childcare and Early Childhood Learning*, Draft Report, Canberra, p.53

Response to draft recommendations and draft findings

VCC Recommendation 1: A coordinated national partnership approach to ECEC Policy	
Commission Recommendation	VCC Response
<p>Draft Recommendation 7.9: <i>Dedicated preschools should be removed from the scope of the National Quality Framework and regulated by state and territory governments under the relevant education legislation. The quality standards in state and territory education legislation should broadly align with those in the National Quality Framework. Long day care services that deliver preschool programs should remain within the National Quality Framework.</i>²</p> <p><u>Supporting text:</u> For dedicated preschools which come under state education legislation, compliance with that legislation should be accepted as compliance with the National Quality Standards. State and territory education departments may need to revise aspects of their education legislation for preschools, in light of the National Quality Standards.³</p>	<p>The Council is deeply concerned about this recommendation which would reverse the direction of reform since 2007, and reintroduce a dichotomy between (state-funded) education and (Commonwealth-funded) care. Prior to the introduction of the National Quality Framework (NQF) there were distinctions made between early childhood services such as kindergartens/preschools and services that provided long day care, family day care and outside school hours care. The former were commonly regarded as the first step in the formal education process whereas the latter were considered to be meeting families’ needs (primarily work-related).</p> <p>The Early Years Learning Framework (EYLF) and the Framework for School Age Care, introduced in 2009 as part of the NQF, refer to practitioners as ‘educators’ in recognition of the learning that children engage in (with the support of adults) in these settings. The Frameworks have introduced a strong focus on supporting the learning of each child as they progress towards the five Learning Outcomes. These Learning Outcomes apply in all early childhood education and care services.</p> <p>Most importantly, the NQF has brought together the range of early childhood education and care services into a single system and has been instrumental in overcoming the previously unhelpful and artificial divisions between ‘child care’ and ‘preschool education’. It acknowledges the essential learning that occurs within all of these settings. The proposal to remove preschools from the scope of the NQF would result in a return to a fragmented early learning system that was characterised by considerable variability in program quality and funding between and within jurisdictions.</p> <p>In privileging the year before children start school over earlier years, this proposal together with Draft Recommendation 7.2, effectively dismisses the evidence that shows that all children’s learning from birth is cumulative and depends on the quality and consistency of the child’s immediate environment.</p>

² Ibid, p.54

³ Ibid, p.37

	<p>The Council acknowledges that logistical challenges exist in some states and territories where preschools are located within the school system but our view is that these challenges can and should be overcome in order that the care and education divide is not resumed.</p> <p>The Council strongly recommends that this recommendation be reviewed.</p>
<p>Draft Finding 5.2: <i>Participation in a preschool program in the year before starting formal schooling provides benefits in terms of child development and a successful transition to school. Any decision to extend the universal access arrangement to younger children should be based on an analysis of the effectiveness of the existing arrangements in improving development outcomes and from evidence drawn from relevant Australian and overseas research. This would assist in determining how preschool should ultimately be integrated into the school based education system.</i>⁴</p> <p><u>Supporting text:</u></p> <p>There is some evidence of developmental benefits for children attending quality early learning from about 1-3 years of age, although the evidence of long-term benefits from universal access (except for children from disadvantaged backgrounds or with additional needs) to such learning is currently less compelling.⁵</p>	<p>The Council supports continuing examination of evidence on the benefits of high quality ECEC to 2 and 3 year olds, noting that benefits are already clear for more disadvantaged children.</p> <p>There is solid evidence from the UK and Australia of the benefits of higher program hours, both for 3 and 4 year olds, so that 15 hours per week should be seen as a minimum. The Council’s view is that in the longer term, participation of 3 year old children in 15 hours of quality ECEC should be universal.</p> <p>The Council notes economic modelling currently being undertaken by PricewaterhouseCoopers (PWC) on the long-term economic benefits of early learning services. A report detailing the findings from this modelling is expected to be released in August 2014 and should serve as valuable input into the Commission’s Final Report.</p> <p>The Council also draws attention to forthcoming findings from the E4Kids Project.</p>
<p>VCC Recommendation 3: <i>Additional Commonwealth investment directed to expanding high quality formal care provision, rather than expanding informal care provision</i></p>	
<p>Draft Recommendation 8.5: <i>Governments should allow approved nannies to become an eligible service for which families can receive ECEC assistance. Those families who do not wish their nanny to meet National Quality Standards would not be eligible for assistance toward the costs of their nanny. National Quality Framework requirements for nannies should</i></p>	<p>The Council understands there are many reasons why families use nannies, including working irregular hours, short-term use due to lack of formal care and preferred form of care. However, no information is presented on the number of families constrained by lack of access to current subsidies.</p> <p>ECEC assistance for approved nannies will create an additional regulatory burden for States and</p>

⁴ Ibid, p.53

⁵ Ibid, p.12

<p><i>be determined by ACECQA and should include a minimum qualification requirement of a relevant (ECEC related) certificate III, or equivalent, and the same staff ratios as are currently present for family day care services. Assessments of regulatory compliance should be based on both random and targeted inspections by regulatory authorities.⁶</i></p>	<p>Territories. This may be justified to meet the needs of families who are not able to access other types of care, however funding to support this alternative service model should be additional and not removed from funding allocations for existing services.</p> <p>The success of this proposal will rely on nannies being expected to meet the same quality standards under the NQF as exists for family day care and centre-based services. Nannies should be required to access professional development support and education programs and to build links with other services across the system.</p> <p>The Council acknowledges the limitations to the current model of government subsidised in-home care, notably that; these services are not currently required to satisfy NQF requirements; eligibility requirements are tight; and places are capped by the Australian government. The Council welcomes the proposal that government subsidised in-home care services be required to satisfy the requirements of the NQF.</p>
<p>VCC Recommendation 4: <i>Continued implementation to deliver on all agreed milestones under the National Quality Agenda for Early Childhood Education and Care</i></p>	
<p>Draft Recommendation 7.1: <i>To simplify the National Quality Standard, governments and ACECQA should:</i></p> <ul style="list-style-type: none"> ▪ <i>identify elements and standards of the National Quality Standard that can be removed or altered while maintaining quality outcomes for children</i> ▪ <i>tailor the National Quality Standard to suit different service types — for example, by removing educational and child-based reporting requirements for outside school hours care services.⁷</i> 	<p>Whilst the Council is in favour of streamlining processes to ensure that the Assessment and Rating component is able to be implemented by the jurisdictions in an effective and timely manner, we have concerns about the removal of elements or standards from the National Quality Standard. These have been identified to ensure that all services are meeting high standards and should not be altered or diminished.</p> <p>The introduction of the NQF has received broad support across Australia from services and families. It has united all early childhood education and care settings under a system designed to raise the bar in ensuring quality outcomes for each child.</p> <p>One of the strengths of the National Quality Standard is that no matter where the service is located, or the type of setting, all services are encouraged to demonstrate that they can meet the Standards. Jurisdictions are ensuring that their Authorised Officers are familiar with the constraints and challenges of various settings, and those that have varying philosophies that underpin their work.</p> <p>The Council would be very concerned to see the removal of requirements such as collecting documentation on each child and planning programs in outside school hours services. One of the</p>

⁶ Ibid, p.375

⁷ Ibid, p.58

	<p>strengths of the existing requirements under the National Regulations and the NQS is that all services are encouraged to gather information about each child and document programs in a way that suits the skills of the educators, the needs of families and that takes into consideration the time the child attends the service.</p> <p>An outcome of this current requirement is that it assists educators to get to know each child well and helps to build strong, secure relationships with them as well as helping them to plan programs that promote each child’s wellbeing, development and learning. This is important for all settings, including outside school hours care.</p>
<p>Draft Recommendation 7.5: <i>To provide services with greater flexibility to meet staffing requirements, ACECQA should:</i></p> <ul style="list-style-type: none"> ▪ <i>remove the requirement that persons with early childhood teacher qualifications must have practical experience for children aged birth to twenty four months</i> ▪ <i>explore ways to make the requirements for approving international qualifications simpler and less prescriptive in order to reduce obstacles to attracting appropriately qualified educators from overseas.</i> <p><i>All governments should allow 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. The New South Wales and South Australian Governments should allow a three month probationary hiring period in which unqualified staff may be included in staff ratios before beginning a qualification, as was recently adopted in all other jurisdictions.⁸</i></p>	<p>The Council cautions against both of these proposals. There is sound research that links quality outcomes for children to the qualifications of staff (see comments below in 7.2) The Council believes that all qualifications need to be scrutinised. Whilst the shortage of qualified staff is a concern, the Council believes that the profession requires educators to have sound knowledge and understanding of all aspects of early childhood development and current best practice.</p> <p>There has been concerns within the profession about the quality of the courses delivered by some Registered Training Organisations and that just because educators have gained a Diploma or Certificate III does not necessarily mean they have received the underpinning knowledge and undertaken sufficient practice to ensure that are ready to provide the necessary responsiveness and guidance that all children need.</p> <p>The Council does not support the proposal to allow 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. Safety considerations require adequate staffing levels at all times. The quality of education and care could be significantly compromised by this proposal with particular impacts for children attending services on a part-time basis.</p>
<p>VCC Recommendation 5: <i>Continued support for a better qualified ECEC Workforce, able to provide the developmental opportunities required by young children, including those where family circumstances limit these</i></p>	
<p>Draft Recommendation 7.2: <i>Requirements for educators in centre-based services should be amended by governments such</i></p>	<p>The Council is concerned about the proposal to reduce the qualification requirements of educators working with children under three years of age in centre-based services. Educators and early</p>

⁸ Ibid, p.59

*that: all educators working with children aged birth to 36 months are only required to hold at least a certificate III, or equivalent; the number of children for which an early childhood teacher must be employed is assessed on the basis of the number of children in a service aged over 36 months.*⁹

Information Request 7.1: *The Commission seeks participants' views on the expected impacts on the development of children under 36 months of focusing required teachers in centre-based care on children over 36 months.*¹⁰

childhood education and care services across Australia welcomed the introduction under the NQF of the requirement that all educators must have a Certificate III qualification as a minimum. It recognised the importance of having a foundation level of knowledge and understanding when working with children. However, a certificate III qualification is a starting point in the formal training and education of early childhood professionals and it is unrealistic to expect that educators with this qualification, as their highest form of qualification, are equipped with the skills to manage the many complex issues which can present in one service.

Reducing the requirement for higher qualifications for educators working with children under three years may result in lower quality provision and large groups of babies, both of which could impact on babies' stress levels. The Council believes that there should be at least a Diploma qualified team leader appointed for every room, and preferably a degree-qualified educator.

University trained educators within centre-based services play an invaluable role in supporting colleagues with lower qualifications and are equipped with the professional skills to:

- guide educators to know, understand and embed the EYLF into their everyday work
- mentor educators and assist them to engage in critical reflection with a view to continuous quality improvement
- assist educators to observe, analyse, plan and reflect on children's learning
- encourage responsive and respectful interactions that build relationships and support children's thinking
- encourage delivery of high quality individualised learning environments for all children, including children under three years
- support educators to use routine times as part of the learning program
- provide early identification of children's learning or emotional difficulties and refer families to specialist services if needed.
- support families to understand the educational program and in particular the learning that occurs through play
- support families with their parenting skills, particularly new parents.

Iram Siraj-Blatchford, world-renowned early childhood academic describes findings in relation to the quality of early childhood settings:

⁹ Ibid, p.59

¹⁰ Ibid, p.59

*“Effective pedagogy is both ‘teaching’ and the provision of instructive learning and play environments and routines. The most highly qualified staff provided the most direct teaching but also the kind of interactions which guide but do not dominate children’s thinking. Adults and children in the excellent settings were more likely to engage at times in ‘sustained shared thinking’ episodes in which two or more individuals ‘worked together’ in an intellectual way to solve a problem, clarify a concept, evaluate activities or extend narratives. During periods of sustained shared thinking both parties contribute to the thinking and developed and extended the discourse”.*¹¹

Quality outcomes for children under 3 will be compromised by Draft Recommendation 7.2. At the Inquiry’s Public Hearing in Melbourne on 18 August 2014, Professor Frank Oberklaid and Dr Tim Moore presented robust research evidence on brain development in the early years of life. Dr Moore noted that:

*“...the period both in the womb and in the first two to three years is the period of maximum developmental plasticity in which changes, adaptations to the particular environment, are made that have potentially and actually lifelong consequences, and that those changes are not just about cognitive learning in that sense, they’re about the learning that the body makes. The learning that the brain and the body together make and the changes that that has.”*¹²

The recommendation to reduce the qualification requirements of educators working with children under 3 is also out of synch with what parents want. The Council notes the national survey undertaken by advocacy group The Parenthood which found that of more than 600 parents polled so far, 95% did not want qualifications reduced.¹³

The Council strongly believes that the existing calculations in relation to the requirement for the employment of an early childhood teacher should be maintained.

¹¹ Siraj-Blatchford, I. (2004). Quality teaching in the early years. In Anning, A., Cullen, J., Flear, M. *Early Childhood Education, Society and Culture*. Sage Publications, London, UK

¹² Productivity Commission 2014, *Childcare and Early Childhood Learning*, Public Hearing Melbourne 18 August 2014, Transcript of Proceedings, available from <http://pc.gov.au/projects/inquiry/childcare/public-hearings>

¹³ Productivity Commission 2014, *Childcare and Early Childhood Learning*, Public Hearing Canberra 25 August 2014, Transcript of Proceedings, available from <http://pc.gov.au/projects/inquiry/childcare/public-hearings>

VCC Recommendation 6: *An increase in Commonwealth and State investment in education, support and resourcing for families to provide optimal early learning environments and experiences for their children*

VCC Recommendation 7: *Improved connections between home, universal and targeted health and community services with ECEC*

Draft Recommendation 5.2: *Governments should plan for greater use of integrated ECEC and childhood services in disadvantaged communities to help identify children with additional needs (particularly at risk and developmentally vulnerable children) and ensure that the necessary support services, such as health, family support and any additional early learning and development programs, are available.*

Information Request 8.2: *The Commission is seeking feedback on the role that integrated services can play in making ECEC more accessible for families. In particular, the Commission is interested in:*

- *The extent to which integrating ECEC services with other family services and schools will deliver benefits to families and/or ECEC providers, and in particular, Indigenous and potentially other disadvantaged communities*
- *views on the best way to fund integrated services that provide ECEC, including whether child-based funding would be an appropriate funding model*
- *how funding could be apportioned across activities operating within an integrated service, including for the coordination of services, the management of administrative data and an evaluation of outcomes.*¹⁴

The Council supports greater integration between ECEC delivery and other early childhood services. Integrated services can play an important role in reducing service system inefficiency and in improving access to services, including ECEC, for families. Integration of services is not always necessary or viable but in many communities it is and in these communities it offers a powerful opportunity to build connections between home, universal and targeted health and community services with ECEC.

Integration of ECEC services should not be limited to disadvantaged communities. The needs of families and children are diverse and changing and a more holistic approach to childhood services will benefit all families. In communities where the integration of services is not viable, other opportunities to build connections between services should be explored and supported.

In the Council's submission to the Inquiry earlier this year, we recommended an increase in Commonwealth and State investment in education, support and resourcing of families to provide optimal early learning environments and experiences for their children. Implicit in this recommendation is recognition of the importance of improving the broader conditions under which families are raising young children.

Quality ECEC is a part of this but is not the whole story. Broader supports for parents are essential and integrated child and family centres have an important role in this, providing an ideal venue for play groups, music sessions, story-telling and other programs that offer opportunities for parents to engage with other parents and, to observe parenting skills and the development of other children. Evidence based parenting programs also have a role to play.

VCC Recommendation 9: *Additional Strategies, including place-based approaches, to overcome barriers to access to ECEC for children from disadvantaged backgrounds, families of children with a disability, Aboriginal and Torres Strait Islander families, and families of children living in rural and remote parts of Australia*

Draft Recommendation 12.4: *The Australian Government should fund the Early Care and Learning Subsidy to assist families with the cost of approved centre-based care and home-based care. The program should: assist with the cost of ECEC services that*

The Council supports more sustainable and equitable assistance arrangements so that all families can access high quality early education and care.

However, the Council is concerned about the activity test proposed under Draft Recommendation

¹⁴ Ibid, p.52

<p><i>satisfy requirements of the National Quality Framework; provide a means tested subsidy rate between 90 per cent and 30 per cent of the deemed cost of care for hours of care for which the provider charges; determine annually the hourly deemed cost of care (initially using a cost model, moving to a benchmark price within three years) that allows for differences in the cost of supply by age of child and type of care; support up to 100 hours of care per fortnight for children of families that meet an activity test of 24 hours of work, study or training per fortnight, or are explicitly exempt from the criteria; pay the assessed subsidy directly to the service provider of the parents' choice on receipt of the record of care provided.¹⁵</i></p>	<p>12.4 and its impact on children from vulnerable families who may miss out on quality early childhood education and care as a result.</p> <p>Targeted assistance and exemptions for specific groups of vulnerable children are welcome however the Council recognises that family life is not continuously stable, it is subject to 'chance' events such as the loss of a job and income, divorce, illness, accidents and sudden disability and so families can very quickly and unexpectedly become vulnerable even if they don't fall neatly into a specified category.</p> <p>Whilst these families would be among the greatest potential beneficiaries of quality early childhood education and care, they would no longer be able to access it due to the imposition of an activity test and this is deeply concerning.</p>
<p>VCC Recommendation 8: <i>Improved expenditure support to allow children aged 2 and 3 years old from disadvantaged backgrounds to participate in high-quality ECEC programs</i></p>	
<p>VCC Recommendation 9: <i>Additional Strategies, including place-based approaches, to overcome barriers to access to ECEC for children from disadvantaged backgrounds, families of children with a disability, Aboriginal and Torres Strait Islander families, and families of children living in rural and remote parts of Australia</i></p>	
<p>Draft Recommendation 12.6: <i>The Australian Government should establish three capped programs to support access of children with additional needs to ECEC services.</i></p> <ul style="list-style-type: none"> ▪ <i>The <u>Special Early Care and Learning Subsidy</u> would fund the deemed cost of meeting additional needs for those children who are assessed as eligible for the subsidy. This includes funding a means tested proportion of the deemed cost of mainstream services and the 'top-up' deemed cost of delivering services to specific groups of children based on their needs, notably children assessed as at risk, and children with a diagnosed disability.</i> ▪ <i>The <u>Disadvantaged Communities Program</u> would block fund providers, in full or in part, to deliver services to specific highly disadvantaged community groups, most notably Indigenous children. This program is to be designed to</i> 	<p>The Council welcomes the intent of this recommendation, but believes its value will depend on the detail of its implementation.</p> <p>The Council's submission to the Inquiry earlier this year recommended increased expenditure to support access of children with additional needs to high-quality ECEC services, particularly for children aged 2 and 3 years old from disadvantaged backgrounds, as well as the establishment of additional strategies to overcome barriers to access.</p> <p>The proposal to establish capped programs to support access of children with additional needs to ECEC services is welcomed, particularly for Aboriginal and Torres Strait Islander Families. However, the provision of block funding to support children from new migrant communities and low-socio economic areas should be equally prioritised.</p> <p>The Council is concerned about access to ECEC for children assessed as 'at risk' who require an extension of the Special Early Care and Learning Subsidy (currently known as the Special Child Care Benefit) beyond the maximum 26 weeks stated in Draft Recommendation 12.7. The Council</p>

¹⁵ Ibid, p.45

transition recipients to child-based funding arrangements wherever possible. This program would also fund coordination activities in integrated services where ECEC is the major element.

- *The Inclusion Support Program would provide once-off grants to ECEC providers to build the capacity to provide services to additional needs children. This can include modifications to facilities and equipment and training for staff to meet the needs of children with a disability, Indigenous children, and other children from culturally and linguistically diverse background.¹⁶*

Draft Recommendation 12.7: *The Australian Government should continue to provide support for children who are assessed as ‘at risk’ to access ECEC services, providing:*

- *a 100 per cent subsidy for the deemed cost of ECEC services, which includes any additional ‘special’ services at their deemed cost, funded from the Special Early Care and Learning Subsidy program*
- *up to 100 hours a fortnight, regardless of whether the families meet an activity test*
- *support for initially 13 weeks then, after assessment by the relevant state or territory department and approval by the Department of Human Services, for up to 26 weeks. ECEC providers must contact the state or territory department with responsibility for child protection within one week of providing a service to any child on whose behalf they apply for the ‘at risk’ Special Early Care and Learning Subsidy. Continuation of access to the subsidy is to be based on assessment by this department, assignment of a case worker, and approval by the Department of Human Services. The Australian Government should review the adequacy of the program budget to meet reasonable need annually.¹⁷*

appreciates that this is intended as a measure to address short-term need, however is concerned it does not recognise the ongoing risk of social, emotional and development problems of vulnerable children, including, children at risk of abuse and neglect, children known to child protection and children in out of home care.

¹⁶ Ibid, p.49

¹⁷ Ibid, p.50

Conclusion

The Council supports every endeavour to ensure that children have access to high quality affordable and accessible early education and care. We believe it is imperative that the focus is on what is best for children, including their security, wellbeing, development and learning, if this is to contribute to the future productivity of our nation.