

Your **partner**
in management



Response to the Productivity Commission's

Draft Report on

Childcare and Early Childhood Learning

September 2014

Your **partner**
in management



About CCSA

CCSA is a peak body that aims to facilitate quality outcomes for children through the provision of integrated management, industrial relations, governance and operational support to early childhood education and care services.

CCSA has been operating for more than 46 years and has a strong knowledge of the issues faced by children's services in rural, remote and regional areas. CCSA has a strong base of knowledge and experience in these regional areas, a close relationship with its member services and a continuing commitment to regional and remote NSW. Currently CCSA has 650 members across NSW.

CCSA plays a leadership and advocacy role at a state and national level in order to:

- Advocate for high quality and affordable early childhood education and care services
- Encourage governments to be responsive to this sector's needs
- Increase community awareness of the value of qualified early childhood professionals
- Increase the understanding and importance of community managed service
- Promote effective workplaces and excellence in service delivery to achieve better outcomes for children.

Introduction

The case for maintaining and improving the National Quality Framework (NQF) has already been well made in "Investing in the Early Years - A National Early Childhood Development Strategy" (COAG 2009). It uses, as its foundation, strong research regarding children's learning and development and the long term social and economic advantage to the country. CCSA does not propose to revisit the need for the continued operation of the NQF but will address key issues where our knowledge and experience can contribute effectively.

The two key areas of the knowledge and skill of educators, including their professional practice, together with improved educator to child ratios are critical to the provision of quality care. The sector and government need to continue the work towards improvement in these areas for the life outcomes of children to improve and for Australia to better match the results of other OECD nations.

CCSA strongly believes that the recommendations in the draft Productivity Commission Inquiry Report into Early Learning and Childcare do not support ongoing quality improvement in education and care. The recommendations undermine the practices and principles of professionalism of educators working in ECEC. If implemented, many of the recommendations will disadvantage children, families and educators; and will directly impact the quality of care and education for a majority of children.



CCSA maintains that not only is it first and foremost an inalienable right for children to have quality early learning and development experiences as supported by the Convention on the Rights of the Child, it has clear social and economic advantages for society in the long term. The NQF cites research from James Heckman¹ and the Effective Provision of Preschool Education (EPPE)² studies as just two pieces of work that support this position. This evidence provides significant support for governments and policy makers to both continue and increase the investment in quality ECEC.

The draft Productivity Commission Report on Early Learning and Childcare has highlighted many issues in ECEC and attempted to provide solutions. The recommendations overall undermine the quality of care and education.

In particular we are concerned about the following areas:

1. National Quality Framework:

The National Quality framework aims to provide a robust professional platform for services, access to quality care and education for families, and a robust quality framework for ECEC educators and providers to work within. The two key areas of the knowledge and skill of educators, including their professional practice, together with improved educator to child ratios are critical to the provision of quality care. The sector and government need to continue the work towards improvement in these areas for the life outcomes of children to improve and for Australia to better match the results of other OECD nations.

- Simplifying the National Quality Standard is not an approach that is supported given that a full cycle of assessment and rating has not occurred for all ECEC services and the review has not been finalised. A watered down approach does not support quality.
- The possible exclusion of some service types (such as preschools) from the National Quality Framework does not support the idea of a National Quality Framework. This contributes to the continued fragmentation and inequality within the ECEC sector. All services providing education and care must be included in the NQF.
- To ensure all children have access to a quality system, all delivery types receiving government support should be captured by the NQF. This will mean that children in education and care settings which are currently 'out of scope' (such as mobile, occasional care and MACS services) should be included in the NQF..
- The tenuous streamlining of ratios and qualifications would mean long standing NSW standards are diminished; this undermines quality and the recognised importance of appropriate and regulated education and care for children

¹ Heckman, J.J., Stixrud, J. and Urzua, S. (2006). The effects of cognitive and non-cognitive abilities on labor market outcomes and social behaviour. *Journal of Labor Economics*, 24 (3), 411-482.

² Kathy Sylva, Edward Melhuish, Pam Sammons, Iram Siraj-Blatchford, Brenda Taggart *Early Childhood Matters: Evidence from the Effective Pre-school and Primary Education Project*, Taylor & Francis, 4th January, 2010



- The ECE sector and the NQF strongly support the notion that both education and care occur in conjunction with one another. It is not treated separately by parents nor planned separately by educators. The introduction of a divide between child 'care' for children under three year old and preschool 'education' for over three year olds is not supportive nor a quality approach to support the notion of early learning. The two must be seen as a dual set of outcomes to be provided for all children
- Qualified ECEC teachers must lead the implementation of the NQF. We know that higher qualified and experienced staff providing education and care for both young infants and preschool aged children delivers higher quality outcomes for children's learning and development. Research clearly points to the birth-three years as being critical to optimal development of children. Decreasing the qualifications of staff providing education and care for children under 3 years old will be detrimental and we do not agree with the recommendation of CERT III being the only requirement for children under 3 years old.
- Training for Early Learning teachers must include children birth to school years. Education and Care starts at birth and progresses right through to school years and onwards. Early years teachers with full understanding of the spectrum of development are better able to respond to the educational needs of all children, whatever their individual level of development.
- The NQF aims to achieve the highest possible quality across all service types in the ECEC. Any future services provided with funding should also be captured to ensure all children have access to quality ECEC experiences.
- The approval of Commonwealth funding for the services of approved nannies must ensure that all nannies are operating under a licensed quality education and care provider. A model that would be more robust and provide quality is the 'in home care' model that can be licensed, assessed and rated under the NQF. This would address much of the unmet demand and need that exists in rural and remote communities.
- Averaging the ratios of qualified staff across the daily operating hours of the service will have the same detrimental effect as reduced staff qualifications requirements on the quality of education and care provided; particularly in relation to communication and connection with parents and educators at 'drop off' and 'pick up' times. Education happens at all times of the day.

2. Financial implications for families, service providers and educators:-

The issue of affordability is one of both the prices charged by providers and the capacity of the consumer to pay. Each is important in the system and in particular where government supports specific outcomes from policy decisions. It is important to look from the perspective of what is the cost of quality and what is affordable for parents. Children have a right to quality education and care; parents and the sector expect quality and this must be supported by a government policy that supports quality whilst supporting affordability. Quality ECEC contributes to positive benefits for society overall and is important for the future development of Australian citizens.



- Currently there is insufficient collection of data in the ECEC sector to determine the minimum cost to deliver a service. Though some costs can be quantified more easily, such as staffing (as required by regulation), other costs such as rent/mortgage and margins can be quite varied. It is important with any government supported system that fees are not being inflated by discretionary higher operating margins that reduce affordability to families. Higher fees should reflect such costs as higher base (standard) operating costs and higher standards (such as better child/staff ratios or qualifications) rather than discretionary margins.
- There is the increased potential impact on families and services by trying to provide a deemed rate of education and care. This will disadvantage those in high cost provision in areas of NSW and services operating in disadvantage rural and remote communities where an unmet need exists. The possible exclusion of children from vulnerable families to early education by the imposition of the proposed 24 hour work/activity test per fortnight will certainly 'disadvantage the disadvantaged'. The capacity to pay is directly related to income. The lower the income, the higher the proportion required to support attendance. As the greatest long term educational, social and economic benefit is achieved by regular attendance of the most disadvantaged³ then it is prudent for government support to target these children and families for the most financial support and continue to means test against income in a reasonable and fair manner.
- Flexible service delivery costs more to deliver, thus placing an additional burden on both providers and families. Services such as mobiles, occasional care, Multi-function Aboriginal Children's Services (MACS) and early intervention make a significant contribution to children's learning and development and assisting parents to participate in the workforce. The long term sustainability of these services operating in small communities is not addressed by the recommendation of a 3 in 7 year viability funding model. Directing States and Territories to ensure that schools provide care services outside school hours where demand exists, may appear to address some of the access and demand issues for children and families, however funding and long term quality and support from the NQF must address the suitability and implementation of these services.
- The current position of pay parity for educators in different settings must be addressed; ongoing and viable funding for service must be reviewed and improved; and subsidies that address affordability for families must be supported by government. The removal of tax benefits for not-for profit services, who supply a large proportion of the education and care, does not benefit the sector nor the government.

³ OECD (2012), 'Investing in high quality early childhood education and care (ECEC)', (p3)



Conclusion

The information and recommendations in this submission reflect the feedback of members and CCSA's 44 years supporting the management and operation of both for-profit and not-for-profit providers. CCSA considers itself fortunate to be able to understand and support 'both sides of the street' as well as a broad representation of delivery types with the sector.

We are confident there is much support for retaining and improving the NQF and we work towards realising the social and economic benefits that it will provide. It is recognised that the NQF is still new but the major adjustment period of its implementation and the difficulty that presented is now past, with ECEC providers recognising that there are benefits to their operation in following the dictates of the NQF and that they are now more able to meet its requirements.

There is support for the improved ratios and qualification requirements. There is general disappointment and frustration at the capacity to recruit and retain qualified staff and the financial and policy investment by government in the sector towards the remedies for this. There is also concern that the outcome from the Productivity Commission's work in this inquiry is limited to being 'within the current funding envelope'. This seems to be at odds with the purpose and benefits of the NQF and the important objective of affordability. It may also impede the commission in its role to 'help the development of policies in the long term interest of the Australian Community'.

Endorsement of outside organisations submissions

CCSA refers to our original submission to the Productivity Commission dated February 2014.

CCSA has contributed to the following submissions and endorses the issues highlighted in the following responses by:-

- N.S.W Children Service Forum
- Australian Council of Children Services (ACCS)
- Early Childhood Australia (ECA)
- National association of Mobile Services (NAMS)