

# NOT WHAT WE IMAGINED!

A response from Community  
Child Care Co-operative (NSW)  
to the Productivity Commission  
Inquiry into Childcare and Early  
Childhood Learning

September 2014



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The Productivity Commission was asked to consider what contribution access to affordable, high quality, care can make to increasing workforce participation and to optimising children's learning and development.



After extensively examining the findings and recommendations from the Productivity Commission's draft report, Community Child Care (NSW) believes that:



1. The Productivity Commission's findings do not match the evidence.
2. If implemented, many of the Commission's recommendations would mean that children and families in NSW would:
  - Have less access to high quality education and care than they do now;
  - Have access to lower quality education and care than they currently do;
  - Possibly pay more than they currently do.
3. The Commission has missed an opportunity to ensure that all children in Australia have access to the highest possible quality education and care from birth.

Some of the findings of the Commission were contrary to what we imagined (and contrary to the evidence available).



## The Commission found that:

What do we think?

- Education and care services play a vital role in the development of Australian children. 
- Quality is important (and the NQF is supported). 
- We can change the NQF without impacting on quality and there is little evidence about the relative contribution of the quality determinants. 
- There is: a lot of evidence of the benefits of early education for preschool aged children, some evidence for children from 1–3 and little for those under 1 except for children with additional needs or from disadvantaged backgrounds. 
- There are differences in the level of care parents want or are willing to pay for. 
- Some families would work or work more hours if they had access to suitable childcare. 
- Some of the demand for places has been created because prices do not match costs of provision. 
- Children with additional needs have been unable to access adequate education and care. 

Community Child Care (NSW) considers the draft recommendations a missed opportunity to design the most affordable and accessible education and care system based on well-developed evidence and research, and of the highest possible quality for Australia's children, families and communities.

**Draft Recommendation 12.4**

## Why cut the right to early education and care for some children?

**The Commission has suggested the imposition of a family activity test to determine access to funded education and care. Community Child Care (NSW) feels this will eliminate access to education and care for some children.**

### **What Community Child Care (NSW) believes**

- ◆ Education and care benefits children. It should, therefore, be a child's right.
- ◆ Children from disadvantaged families are the very children that benefit the most from access to education and care.
- ◆ By providing funded education and care to all children, regardless of family circumstances, our society benefits. Society benefits when children are kept out of home care and out of the child protection system. These children are provided with a better start to life than they would have otherwise.

### **The evidence our beliefs are based on**

- ◆ The Commission's own finding that "children facing disadvantage or who are at risk of poor care in their home environment may benefit from early exposure to high quality childcare..." (page 165)
- ◆ The Commission's own finding that just over 500,000 (or 14 per cent) of children live in families where neither parent is employer or their single parent is not employed (Table b.3 – page 631). Why should half a million children be excluded from care just because their parents cannot find work or participate in the workforce?

**All children currently have access to at least 24 hours of funded education and care a week. This must be retained. CCCC recommends that the activity test be removed from Draft Recommendation 12.4.**



Draft Recommendation 12.6 and 13.1

## Why restrict the right of Aboriginal communities to access education and care?

The Commission has suggested a Disadvantaged Communities Program with block funding for Indigenous children, but has suggested this should be designed to transition recipients to child-base funding arrangements, wherever possible. Community Child Care (NSW) believes that any move to transition Indigenous services currently in receipt of Indigenous Budget Based Funding (BBF) funding to child-based funding will reduce the ability of some Aboriginal children to access education and care.

### What Community Child Care (NSW) believes

- ◆ Receipt of child-based funding entails services and families being subject to numerous requirements. The majority of these would prove to be barriers for current Budget Based Funded Indigenous services and for the families that use these services. These are not limited to, but include:
  - **Priority of access requirements.** Many NSW Indigenous BBF services work with families with parents not currently in employment. Priority of access requirements would mean that these families could not access early education and care.
  - **Activity test.** Similarly, some families using Indigenous BBF services would not qualify for the Early Care and Learning Subsidy under the Activity test.
  - **Allowable absences.** Under CCB, children are allowed a certain number of allowable absences. Community Child Care (NSW) notes that the Commission is suggesting this system may be abandoned under its recommendations. Indigenous families may need greater flexibility.



- **Registration.** Eligibility for the Early Care and Learning Subsidy will probably be dependent on having a Centrelink Customer Reference Number, as per CCB and CCR. Ongoing eligibility involves a complex obligation regime based on notification of changes of income, address, and family situation. Vulnerable families, including Indigenous families, are not necessarily able to comply with such requirements.
- **Immunisation requirements.** Many BBF services are dealing with families that are extremely vulnerable, with multiple impacting issues. Immunisation of children and the associated record keeping of this may not be the family's highest priority.
- ◆ By far the biggest barrier to services transitioning to per child funding is that of the gap between costs and possible income via fees and the ECLS. Many NSW BBF services have cost structures that could not be recouped by fees and ECLS alone. Why? Because these services have either high costs (because of issues such as remoteness) or deal with smaller numbers than mainstream services. A service dealing with just eight children a session could not offset the costs of service provision via fees/ECLS.
- ◆ Community Child Care (NSW) believes that in view of the small proportion of young children who are of Aboriginal and Torres Strait Islander backgrounds, the relative disadvantage Aboriginal and Torres Strait Islander children face educationally throughout their lives, that all Aboriginal and Torres Strait Islander children should be given free access to culturally-appropriate early education and care services.

### The evidence our beliefs are based on

- ◆ The evidence our beliefs are based on the reported experiences of NSW Budget Based Funded services.

**Part of Recommendation 12.6 suggests that the services that would receive block funding under the proposed Disadvantaged Communities Program, should transition to child-based funding, wherever possible. CCCC Recommends that this part of Recommendation 12.6 be removed.**



Draft Recommendation 12.7

## Why restrict the right of children at risk to access early education and care?

The Commission has suggested that children who are assessed as being 'at risk' should be able to access up to 26 weeks of education and care at 100% of the deemed cost, but only if they are part of the child protection system.

### What Community Child Care (NSW) believes

- ◆ Children at risk of harm benefit substantially from access to education and care.
- ◆ Many children can be diverted from being at risk, by providing support to the family and 'time out' from parenting.
- ◆ Providing education and care to a child at risk helps the child by providing them with a place where they are safe and supported. It also provides access to vital early education which they would otherwise miss.
- ◆ There shouldn't be time limits on the amount of funded education and care a child at risk can receive. While they remain at risk, access to education and care can reduce the risk.
- ◆ By only funding children at risk at 100% of the deemed cost, services may need to subsidise provision to these children. Families of children at risk are often unable or unwilling to pay for education and care. Services (disproportionately not-for-profit services) will therefore bear some of the cost.
- ◆ Education and care, provided early enough to a child and his or her family, can stop the progression towards engagement with the child protection system. The suggestion that children at risk should only be eligible if they are notified, will stop some families from seeking education and care, and will stop provision of education and care to children who are not yet at notifiable risk.
- ◆ In NSW, only children at risk of 'serious harm' can be notified to the Department of Community Services. Every child falling below this threshold will, therefore, be excluded.



## The evidence our beliefs are based on

- ◆ In NSW, caseworker figures for March 2013 to March 2014, show that of the 69,184 children reported to the NSW Department of Community Services as being at risk of significant harm, only 27% were allocated a child protection caseworker to receive a face-to-face child protection response assessment. What happens to the 50,505 children that were not assigned a caseworker? Should they be refused funded education and care because the NSW Department of Community Services cannot engage enough caseworkers?  
[www.community.nsw.gov.au/docswr/\\_assets/main/documents/march%20qtr\\_cwdashboard\\_280514\\_v10.pdf](http://www.community.nsw.gov.au/docswr/_assets/main/documents/march%20qtr_cwdashboard_280514_v10.pdf)

**CCCC recommends that education and care services continue to assess if a child is at risk and, therefore, be eligible for the Special Early Education and Care Subsidy (SECLS), in the same way that Special CCB is available. The SECLS should not be time limited or dependent on notification to a child protection authority.**



Draft Recommendation 7.8 and 7.9

## Why remove preschools from the National Quality Framework? Why not include mobile services?

**The Commission has suggested that preschools should be removed from the National Quality Framework and that all centre and home-based services should be included.**

### What Community Child Care (NSW) believes

- ◆ All children should have the right to access education and care of the same quality – regardless of the service type.
- ◆ Preschools have just been brought into the National Quality Framework – previously, they were not part of an accreditation system and, in NSW, were state-regulated. These services have worked hard to meet the National Quality Standard and be ready for assessment and rating. Removing them at this stage does not make sense.
- ◆ In NSW, the majority of preschools, although ‘dedicated preschools’, are community-based not-for-profit services. If they are removed from the NQF, there will be no regulation of these services because there is no relevant educational legislation.
- ◆ The two states which did not want their preschools integrated into the NQF – Tasmania and Western Australia – already have them outside of it. Why consider a change when all other state and territory governments agreed their preschools should be regulated under the National Regulations?
- ◆ There is no divide, in terms of the type of service provided to children below school age and formal preschool programs, in NSW, where both long day care and preschool services have to employ early childhood teachers. Both service types provide play-based education and care in a centre guided by an early childhood teacher using the Early Years Learning Framework.



- ◆ One of the real benefits of the NQF is that the majority of services are under the one set of regulations and assessed against the one standard of quality – the National Quality Standard. Why change this?
- ◆ There is no reason why mobile education and care services should be excluded from the recommendation to bring all centre and home-based services in to the scope of the NQF (Draft Recommendation 7.8). The Commission offers no reasoning for this omission.

**CCCC recommends that Draft Recommendation 7.9 should be omitted from the Commission’s final report. CCCC also recommends that Draft Recommendation 7.8 should include mobile services in the scope of the NQF.**



**Draft Recommendation 8.1**

## Why should preschool children have lower quality standards at different times of the day?

**The Commission has suggested that the requirement that most children attending an outside school hours care service be of school age be removed.**

### **What Community Child Care (NSW) believes**

- ◆ Preschool aged children should have access to educators in the same ratios and with the same qualifications no matter what time of day it is.
- ◆ Preschool aged children should have access to the same protections in terms of health and safety in after school aged care programs as they have during school hours at a preschool.
- ◆ It is impractical to imagine that outside school hours care services could match the ratios required for the care of very young children in these services.
- ◆ Outside school hours care services are not set up for large numbers of preschool aged children. 4-year-old children and 12-year old children have vastly different requirements.
- ◆ Preschools in NSW, generally, organise their own extended hours on the preschool premises, when there is a demand for this in the community.
- ◆ One of the determinants of quality education and care for preschool children is group size. It is hard to provide group sizes appropriate for preschool aged children in outside school hours care services.

**CCCC recommends that Draft Recommendation 8.1 should be omitted from the Commission's final report.**



Draft Recommendation 9.1 and 8.3

## Why remove the registered care category of Child Care Benefit for families accessing preschools?

**The Commission has recommended that the Australian Government should remove the registered childcare category for Child Care Benefit.**

### What Community Child Care (NSW) believes

- ◆ The Commission does not fully understand what 'Registered Care' is and has therefore made a flawed recommendation about it.
- ◆ On page 30, the Commission suggests "*expansion in the range of approved subsidised services to include existing registered care providers*".
- ◆ On page 77, Registered Care is described as "*childcare provided by relatives, friends, nannies or babysitters and some childcare facilities who are registered as carers with the Department of Human Services*."
- ◆ On page 414, the Commission states that "*registered care is not within the scope of the NQF*".
- ◆ On page 413, the Commission suggests that because 30 per cent of registered carers care for more than 11 children, this "*suggests that many registered carers are operating in centre based arrangements that are not 'approved' for CCB*" because they "*do not meet operating requirements for CCB as they open for too few hours a day and/or too few hours a week. Some of these services likely offer occasional care or before or after preschool care*."
- ◆ On page 414, the Commission claims that because Registered Care is not within the scope of the NQF, this "*weakens the case that registered care should be funded, as it cannot be ensured that registered care delivers safe, stimulating or educationally rich environments for children*" and, therefore, the Commission "*considers that the benefits of subsidising care provided by registered carers do not outweigh the costs*."
- ◆ On page 414, the Commission says that: "*The very low subsidy rate — just \$0.66 per hour or \$33 per week — means that for many families eligible for registered care subsidies, it may not be worth going through this process*."



- ◆ The benefits of subsidising care provided by registered carers, in the case of NSW preschools do not outweigh the costs.
- ◆ For many parents, access to the registered care rate of CCB makes preschool access more affordable.
- ◆ The majority of community-based preschools in NSW will choose to register as approved services, if Draft Recommendation 8.3 is accepted. The only barrier to them becoming approved services now is the requirements for minimum operating weeks and hours of service, as most operate in line with school hours/terms (although many also provide extended hours).

### The evidence our beliefs are based on

- ◆ In NSW, until a few years ago, the majority of community-based preschools (around 750 education and care services) were registered care providers. Over the last few years, the Department of Human Resources changed policy so that only individuals could be registered carers. At this stage, the majority of NSW Preschools were forced to register an individual within the service (usually the director) as the provider.
- ◆ All NSW community-based preschools are within the scope of the NQF and deliver *'safe, stimulating or educationally rich environments for children'*. A large proportion of preschools are meeting or exceeding the NQS under the assessment and ratings process.
- ◆ The Commission found that 1,865 providers in NSW had registered care claims. Community Child Care (NSW) does not have access to the claims history but we believe a large majority of these would be community-based preschools.

**CCCC recommends that Draft Recommendation 9.1 should be omitted from the Commission's final report and a category of SECLS be established to meet the needs of families using centre-based services that are in scope of the NQF but not eligible for ECLS.**



Draft Recommendation 10.1 and 12.1

## Why restrict the capacity of not-for-profit services to provide education and care?

The Commission has suggested that State and Territory governments should remove eligibility for payroll tax exemptions for not-for-profit education and care providers, and that the Australian Government should remove eligibility for Fringe Benefit Tax exemptions from not-for-profit providers.

### What Community Child Care (NSW) believes

- ◆ There is little rationale for ongoing contributions by the Australian Government to individuals' personal profit, via its education and care budget.
- ◆ There is less rationale still for provision of ongoing contributions by the Australian Government to the level of profits corporate providers of education and care can make – G8 Education, Australia's largest provider of corporate education and care announced a profit of \$16 million over the past six months. When ABC Learning folded in 2008, it cost the Commonwealth \$56 million to keep the centres open, until a buyer could be found.
- ◆ There is no evidence that removing tax concessions would increase affordability or accessibility of education and care.
- ◆ There is no evidence that a more 'even playing field' would increase the provision of care by for-profit providers. The profitability of education and care provision is identified in the Productivity Commission's report by IBISWorld 2013 as between 2 and 3 per cent. This is the barrier to new entrants or expansion by existing providers, not the existence of tax concessions for not-for-profit providers.
- ◆ Treating education and care as a 'badly functioning market' is inherently wrong and naïve. Applying concepts such as 'switching costs' to markets works when one is talking about a phone provider, but not to children's education. It is not, as the Commission believes, just a 'hassle' to switch (page 428) – it can cause a huge disruption in children's and families' lives.
- ◆ The Commission's belief that quality should equate to price is misinformed. All children should have access to high quality care, regardless of the fee being charged. Quality should not only be available for those who can afford to pay a premium.



- ◆ The Commission's finding that supply has grown mainly through for-profit provision does not mean that supply can only grow through for-profit provision. A capital grants fund available to local government and not-for-profit providers would enable provision to be increased in the majority of areas of need. Provision of interest free loans for establishment costs of new services would like wise aid provision by the not-for-profit sector.
- ◆ The Commission's view that the 'excess' demand for 'under-priced' provision (e.g. that provided to children under 2) can be rectified by forcing the market price to increase to reflect demand, will cause more parents to be excluded from the workforce during the first few years of their children's life. This view shows the absurdity of applying pure market logic to education and care provision. It fails to factor in the benefits to society as a whole of both having women in the workforce and of children receiving a high quality early education.
- ◆ Not-for-profit services set the quality and price benchmarks for education and care.
- ◆ Not-for-profit services provide a high proportion of education and care in NSW.
- ◆ Not-for-profit services provide more education and care to children with additional needs, children at risk and Aboriginal and Torres Strait Islander children.
- ◆ Removing tax concessions to not-for-profit service will cause some not-for-profit providers to cease provision of education and care, increases prices and possibly reduce quality in areas such as above regulation ratios and qualifications.
- ◆ Removing tax concessions for not-for-profit services could thus impact mostly on children who can most benefit from access to education and care.
- ◆ Any reduction in not-for-profit service provision, or increase in price for this provision would, (according to the Commission's own logic) result in fee increases across the sector, not just the not-for-profit sector.
- ◆ Large charities for whom education and care is just one part of their service provision would likely divest their education and care services if access to the ability to salary package because of their eligibility for Fringe Benefit Tax concessions. Salary packaging allows providers to recruit and retain highly skilled and qualified employees by increasing real wages. This will both impact on recruitment and retention of high quality staff in the sector and deny the providing organisations the capacity to offer salary sacrificing for their employees in other types of service provision. Removal of payroll tax exemptions would also impact across the entire organisation, not just the part of the organisation which delivers education and care.
- ◆ Removal of FBT concessions would force organisations to increase fees in order to continue paying the same wages. Staff would be unlikely to accept direct pay cuts, especially in a sector where the Commission itself has found (previous workforce study) that wages are below that needed to retain staff.



- ◆ The Commission’s concern that the value of the tax concessions is unquantifiable should not be reason for their removal.
- ◆ The Commission’s suggestion that the value of the concessions be re-invested in the sector would be actually impossible to enact, if the value is unquantifiable.
- ◆ The Commission has provided little rationale for removal of FBT concessions for employers providing work-based care. Work-based education and care provision has worked successfully for some corporations in NSW. The benefits to parents of having children on or close to their workplace are known, especially for the continuation of breastfeeding by mothers.
- ◆ The Commission has failed to make a case for why the ability to access tax concessions such as FBT exemptions by not-for-profit providers should be considered one of the “main concerns about current funding arrangements” (page 503).

### The evidence our beliefs are based on

- ◆ In NSW over 700 of our 880 preschools are not-for-profit, 30% of our long day care centres are not-for-profit. The majority of children in family day care in NSW are cared for by not-for profit services.
- ◆ G8 Education, Australia’s largest provider of for-profit education and care posted a \$16.3 million profit for the half year ended 30 June 2014. <http://g8education.edu.au/wp-content/uploads/2013/09/Online-Half-Yearly-Report-and-Accounts.pdf>
- ◆ According to ACECQA national registers (<http://www.acecqa.gov.au/national-registers> accessed 25/8/2014) in NSW:
  - 3% of G8 services were rated as Exceeding the National Quality Standard compared to 19% of services overall which were rated as Exceeding,
  - 41% of G8 services were rated as Meeting the National Quality Standard compared with 34% of services overall rated as Meeting
  - 56% of G8 services were rated as Working Towards the National Standard compared with 47% overall which were rated as Working Towards.
- ◆ ACECQA’s National Quality Framework Snapshot 3 showed that of services rated by 30/9/2013 in NSW
  - 14% were rated as Exceeding the National Quality Standard;
  - 29% were rated as Meeting the NQS; and
  - 56% were rated as Working Towards the National Quality Standard.



- ◆ With its knowledge of service provider types, and using the ACECQA registers, Community Child Care (NSW) determined that of services rated by 14/11/2013 in NSW:
  - 84% of services rated as Exceeding the National Quality Standard were not-for-profit community-based services; and
  - 80% of services rated as Working Towards the National Quality Standard (that is did not meet the standards) were for-profit services.
- ◆ These statistics show that, at least in NSW, not-for-profit community-based services deliver the highest quality education and care.
- ◆ This was confirmed by the Commission’s own findings that not-for-profit providers provided a higher quality of education and care.
- ◆ In 2012, in NSW 1,724 Aboriginal children in NSW were enrolled in not-for-profit preschools compared to 835 Aboriginal children in long day care services. ([http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0010/132310/rogs-2014-volumeb-child-care-education-and-training.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0010/132310/rogs-2014-volumeb-child-care-education-and-training.pdf))
- ◆ The majority of children at risk placed in childcare by the NSW Department of Community Services are community-based services. Community Child Care (NSW) does not have access to data for this, but has long understood that this has been the case.

**CCCC recommends that Draft Recommendations 10.1 and 12.1 be removed from the Commission’s final report.**



Draft Recommendation 7.2 and 7.3

## Why should babies have a poorer quality education and care than other children?

**The Productivity Commission has determined that services for children under three should not include an educational component therefore teachers are not required for children of this age.**

### What Community Child Care (NSW) believes

- ◆ That education begins at birth and there are many benefits particularly for disadvantaged children.
- ◆ That “...ECEC for children aged birth to three should focus on quality care and not be required to include a significant educational component.”(page reference) is a misconception as education and care cannot be separated. Care is implicit in the provision of education, especially early education.
- ◆ That what neuroscience has proven about the development of babies and children’s brains should be taken into account when designing a system of early education for them.
- ◆ That a system of education and provision of care for Australian children should not be solely based around the workforce requirements of their parents.
- ◆ That all children deserve access to high quality early education and that this should be based on evidence about what makes early education high quality.
- ◆ That the qualifications of educators are crucial to the provision of high quality early education.
- ◆ That education and care settings designed and delivered by early childhood teachers are higher quality than those without. Education and care must be delivered with the ‘oversight of a teacher.’



- ◆ That a two tiered system of quality of education and care based on family wealth would be established if, as the Commission suggests *“Those services that wish to retain ECTS for children under 36 months would be able to do so and differentially price their services accordingly.”*
- ◆ That the Commission is wrong when it says that *“A number of jurisdictions have chosen to maintain higher standards for centre based services than those prescribed in the NQF. These include stricter staff ratios and additional requirements relating to the employment of an ECT.”* States like NSW agreed to work towards the development of the National Quality Framework in the understanding that our higher standards would be enshrined and protected in the Framework. They are not higher standards than those provided in the NQF, they are an essential part of the NQF. The intention at the outset of development of the NQF was that the other States and Territories would work towards matching the ratio and qualification requirements in NSW and improve upon these.
- ◆ That the Commission is therefore wrong when it asserts that *“a nationally consistent system should not leave scope for some jurisdictions to enforce requirements that exceed those taken to be acceptable in other jurisdictions, particularly given that the resulting costs to services are likely to be substantial.”*
- ◆ That the Commission may well be right in its presumption that the removal of the need for early childhood teachers for children under 3 will *“encourage providers to offer a broader range of services than currently on offer”*.
- ◆ That the Commission, however, is deeply wrong in presuming that the services that could thus *“emerge in the ECEC market at a lower cost to families than many LDC services currently on offer”* would be ‘quality’ services.
- ◆ A Certificate III qualification is an entry level qualification and as such a holder of this qualification should not have the responsibility of educating and caring for babies without the supervision of more highly qualified educators. The Skills and knowledge of a Certificate III graduate equip them to apply these in predictable or stable situations.
- ◆ Community Child Care (NSW) believes there are few ‘predictable’ or ‘stable contexts’ in an early learning program with very young children. The complex world of young babies needs sophisticated knowledge and skills, confidence to apply this and respect for the fast developing brain. Children deserve the very best at this critical time but so do the (more often than not) young educators. This recommendation places both babies and educators at risk.



## The evidence our beliefs are based on

- ◆ Community Child Care (NSW) refers the Commission to the ample evidence available to them on the value of early education and for the need for teachers for babies in the submissions of our learned colleagues from universities who specialise in the study of the evidence in these areas such as Dr Marianne Fenech, Dr Fran Press, Dr Sheila Degotardi, Professor Collette Tayler, Ms Sandra Cheeseman, Professor Linda Harrison, Professor Frank Oberklaid and Dr Tim Moore.
- ◆ In the Certificate III qualification for Skills, graduates at this level will have a range of cognitive, technical and communication skills to select and apply a specialised range of methods, tools, materials and information to:
  - complete routine activities;
  - provide and transmit solutions to predictable and sometimes unpredictable problems.
- ◆ And in the application of skills and knowledge, graduates at this level will apply knowledge and skills to demonstrate autonomy and judgement and to take limited responsibility in known and stable contexts within established parameters. (Australian Qualifications Framework)

**CCCC recommends that Draft Recommendation 7.2 and 7.3 should be removed from the Commission's recommendations.**

Draft Recommendation 7.8 and 7.1

## Why should the National Quality Standard be changed?

**The Commission has suggested that Governments should ensure the scope of the NQF is extended to include more care types, tailored towards each care type and identify elements and standards of the NQS that should be removed.**

### What Community Child Care (NSW) believes

- ◆ All education and care services should be brought in scope of the NQF.
- ◆ The NQS does not need to be further tailored towards care types. It is written broadly enough that it covers care types as diverse as outside school hours care services and family day care services already. Regulatory Authorities may need assistance to determine what evidence is required to prove that the standard has been met for each service type, but the NQS itself does not need to be reduced.
- ◆ The Productivity Commission has exceeded its brief in making recommendations about the NQS. Given that the NQF is under a separate legislatively required review, why would the Productivity Commission be recommending changes at the National Quality Standard level of the NQF?
- ◆ All state and territory Governments and the Australian Government agreed to every element and standard of the NQS as part of its establishment.
- ◆ The elements and standards of the NQS are evidence-based. We know what needs to be included to allow an acceptable minimum level of education and care provision – this is what is in the NQS.
- ◆ The Commission is wrong in stating that “the net benefits of the reforms [the NQF] have not been clearly established.”
- ◆ The Commission is perhaps right when it says that the “benefits of regulations in the sector are difficult to reliably quantify”. However, the Commission needs to take into account the qualitative assessment of the education and care sector. Education and care services, the experts in the delivery of education and care, overwhelming support the NQF and support the NQS. Why? Because they believe it will increase the quality of education and care available to children.



- ◆ Not enough weight has been given to the identified reform fatigue that the sector is suffering from. No sooner does a new system of quality, funding, regulation or operation become adopted in the sector, than some layer of government suggests changing it.
- ◆ As the largest deliverer of professional development in Australia to education and care services, we do not believe that simplifying the NQS will reduce the “*volume and complexity of professional development, training and guidance materials for providers and educators*” (page 271. Changes will mean more professional development and guidance materials.
- ◆ There is not enough evidence to support ACECQA’s or the Commission’s assertion that elements of the NQS could be removed “without compromising the instrument’s benefit to children”.
- ◆ Difficulties with the ratings and assessment process, in particular the perceived problem of the speed of the assessments, and the burden on the regulatory authorities of undertaking assessments should not be solved by changing the NQS. Fixing the assessment and ratings process does not require changes to the NQS.
- ◆ The NQS was designed to be aspirational. It was designed to ensure services worked towards a new minimum standard of quality. It is therefore to be expected that, for example, “over one-fifth of all services do not meet at least one of the sustainability elements “. Contrary to the Commission’s reason this is not a “cause for concern”, as long as those services are working towards eventually meeting or exceeding the requirements of this standard.
- ◆ The Commission is probably not the authority best placed to cherry pick standards and elements of the NQS without extensive guidance from education and care experts as to why the elements were and should be included.
- ◆ That PricewaterhouseCoopers were correct in their assessment that “The National Quality Framework quality standards are not ambitious, they fall short of the precedents set by ECEC systems overseas in terms of the qualifications required by early childhood staff and compare poorly with those quality standards that are taken for granted in the school education system” <http://www.pwc.com.au/industry/government/assets/ecec-Mar11.pdf>

**CCCC recommends that Draft Recommendation 7.1 and the last sentence of recommendation 7.8 should be removed from the Commission’s recommendations.**



Draft Recommendation 7.3 and 7.5

## Why should ratios and qualifications – the two major determinants of education and care quality be lowered?

The Productivity Commission has recommended that differences in educator and ratio requirements should be eliminated, that services should be able to temporarily operate below required ratios and that NSW and SA should allow educators to work in a service for three months without gaining a qualification.

### What Community Child Care (NSW) believes

- ◆ A mountain of evidence exists to show that ratios and qualifications of educators are the two major determinants of the quality of education and care provided to children.
- ◆ It was on the basis of this evidence that COAG decided to implement the NOF which enshrined improvements to both ratios and qualifications over time.
- ◆ The quality of education and care provided in Australia has improved because of these changes.
- ◆ That if there is a rationale for all ratios and qualifications to be standardised that this should be to the highest level now in place. No State or Territory should lower the minimum requirement for ratios and qualifications below what they are currently providing.
- ◆ There is no rationale for requiring NSW educators from being exempt from the requirement to be working towards a qualification in order to be counted in the ratios. Removing this requirement would encourage increased turnover of staff which is not conducive to the provision of high quality care. Requiring new employees to commit to obtaining a qualification ensures that services attract the right sort of employees with an understanding of the responsibilities expected of them as an educator from the beginning.



- ◆ 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 would represent a real drop in quality provision and would compromise children's safety.
- ◆ The suggestion that such averaging could occur shows a lack of understanding of the realities of education and care provision within centre-based services.
- ◆ A waiver system is already in place to allow services to receive temporary exemption from meeting staffing requirements. This is sufficient to assist services unable to meet the qualification requirements.

### **The evidence our beliefs are based on**

- ◆ Community Child Care (NSW) refers the Commission to the evidence available to them on why ratios and qualifications are the most important determinant of the quality of education and care provided and why there should be no weakening of the existing standards. We refer the Commission again to the submissions of our learned colleagues from universities who specialise in the study of the evidence in these areas such as Dr Marianne Fenech, Dr Fran Press, Dr Sheila Degotardi, Professor Collette Tayler, Ms Sandra Cheeseman, Professor Linda Harrison, Professor Frank Oberklaid and Dr Tim Moore.

**CCCC recommends that Draft Recommendations 7.3 and 7.5 should be removed from the Commission's recommendations.**



**Draft Recommendation 7.6**

## Why should the NQF be changed, weakened, now?

**The Productivity Commission has recommended that governments and ACECQA should explore ways to determine service's ratings so they are more reflective of service quality.**

### **What Community Child Care (NSW) believes**

- ◆ Making the sort of change to the NQF rating process that the Commission is proposing will impact adversely on quality.
- ◆ Service ratings are reflective of service quality.
- ◆ The concept of NQF administrative burden is consistently overstated by those with a vested interest in reducing the cost of regulatory compliance.
- ◆ Until every service has been through the rating process once, the process to determine a service's ratings should not change to "make it more reflective of service quality". Changes to the process to make it simpler for regulators could be considered.
- ◆ The hypothetical case studies of administrative burden under the NQF contained in the ACECQA report and reproduced on page 297 of the Commission's report are seriously flawed. To list just two:
  - No 75 place service would have only 73 enrolments (given that the average amount of long day care each child receives is around 20–25 hours according to Department of Education CCMS data).
  - Educational programming has always been required of education and care services. How can the cost of this be attributed to the NQF?

**CCCC recommends that the second dot point of Draft Recommendation 7.6, that Governments and ACECQA should 'explore ways to determine services' ratings so they are more reflective of overall quality', should be removed from the Commission's recommendations.**



Draft Recommendation 12.6 and 12.8

## Why restrict the ability of services to include children with additional needs?

The Productivity Commission has recommended the establishment of a Special Early Care and Learning Subsidy to meet 100% of the additional deemed cost of providing education and care to children with additional needs (defined as children at risk and children with a disability) and a one off grant program through the Inclusion Support Program to build the capacity of services with additional needs.

### What Community Child Care (NSW) believes

- ◆ The Productivity Commission has correctly identified and supported the provision of additional funding for the inclusion of children with additional needs in early education and care.
- ◆ The best way of ensuring children with additional needs can participate in education and care services is through inclusion and inclusive practice – this is the goal and activity of the current Inclusion and Professional Support Program.
- ◆ By changing to a per child model of funding, the concept of inclusion is weakened. Services need additional funding to facilitate the inclusion of a child with additional needs, not to cover the additional costs of service provision to that child.
- ◆ Children with additional needs should not be quarantined in services only catering to children with additional needs.
- ◆ The suggestion that “concentration of capabilities in ECEC providers should ensure that families can access a more suitable and affordable service” (page 547) is inherently anti-inclusion and discriminatory.



- ◆ Although one off grants to services to support inclusion through professional development and minor capital grants programs may be beneficial, the retention of Inclusion Support Agencies to promote and support inclusion is essential.
- ◆ If the deemed cost does not meet the actual cost of increasing the service's capacity to include children with additional needs, services could opt out of provision to this group.
- ◆ The pitfall of having a capped allocation of funding for special needs is that children in need will miss out.

**CCCCC recommends that the Commission supports the retention of Inclusion and Support Agencies and reconsiders its approach to funding inclusion via a Special Early Care and Learning Subsidy.**



Draft Recommendation 12.9

## Why should preschool education be treated differently than any other type of early education and care?

The Productivity Commission has acknowledged that Australian Government funding is required to support preschool education and has recommended that this be funded on a per child basis to state governments in the short term with it eventually becoming part of general education funding.

### What Community Child Care (NSW) believes

- ◆ That the Australian Government should be responsible for the funding of all early education and care regardless of the setting it is delivered in.
- ◆ Making FTB supplement conditional for families on attendance of their child at a preschool is unrealistic in States like NSW where the cost of preschool often precludes attendance.
- ◆ Withholding State funds to incentivise States to increase preschool enrolments although good in theory, will in practice see NSW falling further below other states in affordability and therefore participation rates,
- ◆ Subsidising preschool attendance at long day care centres via fee reduction offset by direct service funding by the Commonwealth will mean that NSW preschools will further struggle to charge competitive fees.
- ◆ There is no evidence that 15 hours of preschool provision provides a greater benefit than 12 hours. For NSW services 12-15 hours of preschool provision should be considered as meeting universal access.
- ◆ Universal access can be provided in long day care services and preschools when delivered by an early childhood teacher.



- ◆ Early education must be seen as complementary to, but separate from, school education. Working towards provision only through schools means that there could be a weakening of commitment to a play-based curriculum.

**CCCC recommends that the Commission changes Recommendation 12.9 so it refers to 12-15 hours preschool access and should remove that part of the Recommendation that refers to incorporating the funding for preschool into the funding for schools and encouraging the extension of school services to include preschool.**



Draft Recommendation 12.5

## Why restrict the right of children in isolated communities to have access to education and care?

The Productivity Commission has recommended that a capped viability assistance program should be established to assist rural and remote providers to operate under child-based funding arrangements even when there are not enough children at the service for it to remain viable but that this should only be available for 3 in every seven years.

### What Community Child Care (NSW) believes

- ◆ Every child in Australia deserves to have access to early education and care.
- ◆ Some regional and remote areas will never be able to support an education and care service where the only funding is child-based.
- ◆ The Commission has correctly recognised this in determining the need for a viability assistance program.
- ◆ In recommending that the funding under this program should only be available for 3 out of every seven years the Commission will effectively lock some children out of access to education and care because without ongoing funding some services in smaller rural areas will not be able to be sustained at all.
- ◆ A child's access to early education should not be dependent on them living within a community with a large enough cohort of similarly aged children to enable the provision of a service.



## The evidence our beliefs are based on

- ◆ The extensive evidence of the value of early education and care.
- ◆ The Commission's findings that "Preschool is beneficial to the general population and delivers significant benefits to disadvantaged children" and "Children facing disadvantage or who are at risk of poor care in their home environment may benefit from early exposure to high quality childcare and the additional income generated by parental employment".
- ◆ Reporting by Community Child Care (NSW) members who report fluctuating enrolments year to year.

## CCCC recommends that the part of Draft Recommendation 12.5:

**"This funding would be:**

- **accessed for a maximum of 3 in every 7 years, with services assessed for viability once they have received 2 years of support"**

**be removed from the Commissions recommendations.**



## Professional Support?

**The Commission has made no recommendations on the provision of professional development to the education and care workforce**

### **What Community Child Care (NSW) believes**

- ◆ Funded professional development for educators needs to be seen as an intrinsic part of the education and care system.
- ◆ The Inclusion and Professional Support Program(IPSP) is the appropriate mechanism for the delivery of professional development.
- ◆ The IPSP assists in the promotion of having a qualified education and care workforce and encourages the upskilling of the sector in line with the body of evidence that proves that educators with higher qualifications provide higher quality education and care.
- ◆ The provision of professional development and support to the education and care workforce enables increased participation of women (educators) in the workforce – surely that is something that the Productivity Commission should support?

**CCCC recommends that the Commission insert a recommendation supporting the continuation of the Inclusion and Professional Support Program.**

## More children in NSW access education and care than in any other state – why not consider the impact of the recommendations on them?

**The Productivity Commission’s recommendations will impact negatively more on NSW children, families and the services that provide them with education and care.**

### **What Community Child Care (NSW) believes**

- ◆ Removing tax concessions and exemptions, especially pay roll tax, would mean that the capacity of the most providers in the largest market in the country, (not for profit providers) will be reduced.
- ◆ If your proposed deemed cost of care does not take into account the higher ratios and qualifications of NSW, NSW children will lose access to the quality of education and care they have long held.
- ◆ Removing preschools from the NQF and removing their access to the registered care rate of CCB will impact more on NSW than any other state given the structure of our preschool provision and the fact that preschool fees are so high.

**CCCC recommends that the Commission re-assess the impact of their proposed recommendations on the state which educates and cares for the majority of the country’s children.**



Draft Recommendation 12.2

## Deemed cost of care?

The Productivity Commission has recommended establishing a single child-based subsidy, to be known as the Early Care and Learning Subsidy (ECLS) which would be based on a deemed cost of care.

### What Community Child Care (NSW) believes

- ◆ Funding services directly rather than funding families would ultimately be a better way of funding early education and care.
- ◆ Having a single subsidy to families that is means tested is more equitable than our current system.
- ◆ That the subsidy should be determined according to reasonable costs and not deemed costs, as per Deborah Brennan's model in *Financing the Future* ([www.sprc.unsw.edu.au/media/SPRCFile/Financing\\_the\\_Future.pdf](http://www.sprc.unsw.edu.au/media/SPRCFile/Financing_the_Future.pdf)).
- ◆ The reasonable cost must reflect the cost of supply, including the higher costs of supply in states like NSW and the differing costs of supply of different service types.
- ◆ Families should be able to choose whether to access PPL or whether to access the ECLS.
- ◆ More modelling needs to be undertaken prior to the implementation of the ECLS to determine the exact impact on families and services, including whether the taper is set at an adequate place.

**CCCC recommends that additional modelling be taken to assess the impact of fees using a deemed cost of care, compared to reasonable costs, be undertaken and shared, prior to the inclusion of Draft Recommendation 12.2 into the Commission's final recommendations.**



## A question (or two)

Given that access to education and care benefits all children and therefore all of society, why wouldn't we see it as the right of every child to access the highest quality education and care our country can provide – even if it costs a little more?

The Productivity Commission's "role, expressed simply, is to help governments make better policies in the long term interest of the Australian community."

One of the Commission's three fundamental operating principles is "to have overarching concern for the well-being of the community as a whole"

We are sorry, but here at Community Child Care (NSW) – we just don't understand this...

**Early education and care matters to the community as a whole, to children now and to our country's future productivity – why can't our public policy around it be built on this simple fact?**

**Community Child Care (NSW) is also a joint signatory to the following two responses which are attached in full.**



# NSW Children's Services Forum

Secretariat: C/- NCOSS, 66 Albion St, Surry Hills NSW 2010, ph: 02 9211 2599 fx: 02 9281 1968

## Who we are

The NSW Children's Services Forum consists of NSW state-wide specialist organisations representing or supporting non-profit community based early education and services. These include peak organisations, resource agencies, co-ordinating bodies and large not-for-profit early education and care providers.

Members who support this submission are: Australian Community Children's Services (NSW Branch), CCSA, Community Child Care Co-operative (NSW), Contact Inc, Council of Social Service of NSW (NCOSS), ECA NSW, Ethnic Child Care Family & Community Services Co-operative Ltd, Goodstart Early Learning, Gowrie NSW, KU Children's Services, Mobile Children's Services Association Inc, Montessori Australia Foundation, Network of Community Activities, NSW Family Day Care Association, NSW Local Government Children's Services, Occasional Child Care Australia, SDN Children's Services, and UnitingCare Children's Services.

## What is this response?

This response has been made directly to the Productivity Commission Inquiry, but in addition all signatory organisations are including it in their individual organisational responses to the inquiry. Combined, our organisations represent the majority of peak organisations and large providers in the education and care sector in NSW. We hope, in view of this that the Productivity Commission considers these statements within this context.

## NSW education and care<sup>1</sup> In NSW around:

- 213,660 children attend long day care services
- 48,370 children use family day care or in-home care services
- 2,780 use occasional care
- 53,000 attend preschools
- 104,420 use outside school hour care services.

There are around:

- 2,600 long day care services
- 167 family day care services and in Home care services
- 2500 outside school hours care services

<sup>1</sup> [www.docs.education.gov.au/system/files/doc/other/child\\_care\\_early\\_learning\\_in\\_summary\\_sept\\_qtr\\_2013.pdf](http://www.docs.education.gov.au/system/files/doc/other/child_care_early_learning_in_summary_sept_qtr_2013.pdf) and [www.det.nsw.edu.au/media/downloads/about-us/statistics-and-research/public-reviews-and-enquiries/review-of-nsw-government-funding-for-early-childhood-education/review\\_nsw\\_gov\\_funding\\_ece.pdf](http://www.det.nsw.edu.au/media/downloads/about-us/statistics-and-research/public-reviews-and-enquiries/review-of-nsw-government-funding-for-early-childhood-education/review_nsw_gov_funding_ece.pdf)



- 800 community based preschools and 100 NSW Department of Education preschools
- 60 mobile (out of scope of NQF) services (long day care, preschool, occasional care)
- 36 occasional care services

Excluding preschools, 256,000 families use these services.

### **Overarching Response**

We believe that the recommendations in the draft Productivity Commission Inquiry Report will disadvantage NSW children and families.

In particular we are concerned about:

- The possible exclusion of some service types (such as preschools) from the National Quality Framework;
- The removal of tax benefits for not-for profit services who supply a large proportion of the education and care in our state;
- The nebulous streamlining of ratios and qualifications which would mean long standing NSW standards are diminished;
- The introduction of a divide between child 'care' for under 3 years olds and preschool 'education' for over three year olds which undercuts NSW's proud tradition of provision of education and care to all age groups;
- The potential impact of a deemed rate of care on families and services. This may disadvantage those in high cost provision in areas of NSW;
- The lack of provision of a clear planning system to ensure supply of education and care equals demand;
- The possible exclusion of children from vulnerable families to early education by the imposition of the proposed 24 hour work/activity test per fortnight.

**To ensure that each child in Australia gets access to a cohesive high quality early and middle education and care system, we believe the Productivity Commission's draft recommendations in the following areas need to change.**

#### **1. Draft Recommendation 12.4**

- Unless the deemed cost of care takes into account the higher costs of service provision in NSW, caused by higher land costs and long standing higher qualification and ratio requirements, NSW families will face a higher gap fee than families in other states and territories.
- The proposed activity test of 24 hours of work/study training per fortnight will exclude some children from access to early education and care. We believe access should be each child's right.



## **2. Draft Recommendation 8.5**

- Nannies should be linked to an approved service, to ensure quality provision and to ensure they are supported to achieve quality outcomes for children.

## **3. Draft Recommendation 12.6 and 13.1 and 12.8**

- Indigenous focused services currently funded under the Budget Based Funding Program have repeatedly said the child based funding arrangements will not work for their communities. The intention to transition Indigenous services out of the Disadvantaged Communities Program to child based funding arrangements will not work.
- The suggestion that provision of once-off grants to service providers under the Inclusion Support Program could substitute for the support and guidance provided by Inclusion Support Facilitators employed by Inclusion Support Agencies is concerning. Services need ongoing support and assistance to include children with additional needs namely children with disabilities, indigenous, CALD and remote and isolated into mainstream services.

## **4. Draft Recommendation 12.5**

- All children, regardless of geographic location, should have the right to access education and care. By only allowing viability subsidies for 3 out of every 7 years, some children will miss out. A service that closes in a time of low demand will not be available to children that do access it and will not be able to re-establish when demand increases.

## **5. Draft Recommendation 12.9**

- Don't incorporate funding for preschools in school funding. Preschool education should always be funded transparently so the money flows to preschool services.

## **6. Draft Recommendation 5.1**

- This recommendation doesn't take into account parental choice and circumstances and is unfairly punitive in NSW where there is an undersupply of services providing preschool education.

## **7. Draft recommendation 7.9**

- This recommendation creates a division in the system which the NQF was going to ameliorate – it provides two tiers of early education, that within the NQF and that outside.



#### **8. Draft recommendation 8.1**

- This recommendation would not guarantee the provision of quality of care to preschool children in the absences of ratios and qualification requirements specifically designed for preschool children in a mixed age setting. The capacity of out of school hours care services to deliver quality care to a majority of children of preschool age would need to be underwritten by regulatory requirements and would not longer constitute an Outside School Hours Care Service.

#### **9. Draft Recommendation 8.2**

- There needs to be a planning model for the provision of out of school hours care – directing schools to deliver education and care will not work without planning as to where those services are required.

#### **10. Draft Recommendation 8.6**

- The removal of a functioning model of early education and care provision –in home care – will not increase the supply of education and care. Families using in-home care should remain eligible for subsidies and in-home care services should be bought into the NQF.

#### **11. Draft Recommendation 9.1**

- Families using community based preschools in NSW need access to the Registered Care CCB because this is the only way they can reduce the cost of preschool in NSW. As preschool fees in NSW are exceptionally high the removal of this subsidy would disproportionately affect NSW families using education and care.

#### **12. Draft Recommendations 10.1, 12.1 and 12.11**

- Not for-profit providers of education and care in NSW make up a large proportion of providers, especially of preschool, family day care and out of school care services. 30% of long day care is also provided by this group. Removal of the limited tax concessions available would severely hamper the ability of some organisations to continue service provision.

#### **13. Draft Recommendation 7.8**

- The NQF should not be tailored towards each education and care type. The needs of different service types are currently recognised through the NQF. There are problems with interpretation of the Regulations and Standards by individual state and territory regulators in so far as how these should be interpreted within the context of different service types, but this is not a problem with the NQS or the Regulations per se.

#### **14. Draft Recommendation 7.1**

- Until all service types have been through the NQF there should not be any removal of standards or elements. Consistency and the amount of change fatigue in the sector demand this.



**15. Draft Recommendation 7.2**

- It is impossible to separate out education from care. Babies learn from every care interaction, Babies need as high, if not higher access to early education and to qualified early childhood teachers as preschool children. Early education and the benefits it provides to children accrue from the moment a child accesses it. We must ensure that the highest quality possible education and care is provided.

**16. Draft Recommendation 7.3**

- NSW has historically had better regulatory requirements for education and care than other states and territories. These should not be weakened in the name of national consistency.

**17. Draft recommendation 7.5**

- Likewise the requirements for employing staff with or working towards a qualification should not be removed in NSW. Services have never been able to operate in NSW without meeting required ratio and qualification requirements at all times. This should not be changed.

**18. Draft Recommendation 7.6**

- Existing ways of determining ratings should remain until all services have been rated and assessed.



# Giving Children the Best Start to Life Submission

On August 26, 2014 academics from six universities with undergraduate and postgraduate early childhood teaching courses, the providers delivering the majority of education and care to children in NSW, all NSW peak education and care organisations, the union with most coverage of the early childhood teacher workforce in NSW, and Australia's largest parent advocacy group, participated in 'Giving Children the Best Start in Life', a sector wide forum held at Macquarie University to consider a response to the Productivity Commission's Draft Report of Child Care and Early Childhood Learning.

Participants unanimously rejected the following premises of the report:

1. That recommendations have been made with due regard to available evidence. We believe that a substantial body of research pertaining to contributors to quality early childhood education has been ignored and some research findings misappropriated.
2. That the proposed recommendations will still provide minimum standards of quality care and education for young children. It is our view that the proposed weakened standards will significantly compromise children's wellbeing, learning and development
3. That the sector generally considers meeting current ratio and staffing qualifications a burden. This view contradicts a robust body of research that highlights ratios and qualifications as predictors of quality in early childhood education programs for children birth to school age. Forum participants welcome and strongly support such requirements.
4. That significant changes should be made to the National Quality Framework before a full roll out. A subsequent review would be more informative, particularly as much of the sector would be operating beyond the initial NQF transition period and thus be in a position to reassess perceived red tape / regulatory burden. We also consider that greater transparency and mining of NQS and ECE census data is needed to inform more evidence-based policies pertaining to the NQF.
5. That only children 3–5 years benefit from formal early learning experiences, with children aged up to two years only needing to be cared for. This view is indicative of an outdated and artificial separation of education and care for young children.
6. That it is acceptable to destabilise and diminish the early childhood (predominantly female and low paid) workforce so as to support women's workforce participation more broadly. The primary purpose of an early childhood education and care sector should be the support and development of children's wellbeing, learning and development, not workforce participation. Entrenched low pay and onerous working conditions for early childhood teachers and educators need to be addressed and not compromised by the Government's productivity agenda.



7. That longstanding workforce issues can and should be resolved by watering down staffing requirements. Quality early learning and care experiences depend on a stable, qualified workforce that is well remunerated and has access to ongoing professional development. Weak staffing regulations are not only detrimental to children's early learning experiences but also exacerbate job stress, dissatisfaction and turnover.
8. That a child's access to a quality early learning program should depend on their family's meeting of a work/study activity test. We support universal and equitable access to quality ECE programs, irrespective of the work or study status of a child's parents. Any activity test requirement that limits access to an early learning subsidy excludes and labels children whose parents do not work or study.
9. That early childhood education and care policy should centre on workforce participation. The recommendations disregard the critical role quality early childhood education services play in building community capacity and cohesion and facilitating social inclusion. The Draft Report's narrow focus on economic objectives largely ignore these important social goals. Such a focus appears contrary to what ought to drive the Productivity Commission's work, which as is stated on p. ii of the Report, is a "concern for the wellbeing of the community as a whole".

Participants unanimously rejected the following recommendations:

### **General qualification and ratio requirements**

- Number of early childhood teachers to be determined by the number of children aged 4–5 years (7.2)
- All jurisdictions to adopt national qualification and ratio requirements (7.3)
- Meeting of ratios to be determined by average staffing levels, not at all times (7.5)
- Unqualified staff to be counted in ratios three months prior to commencing a qualification (7.5).

A significant body of research, including emerging findings from the Australian E4Kids study (See submission from Professor Collette Tayler and colleagues) testify to the value added benefit of robust ratios and staff qualifications, particularly the employment of early childhood teachers. These benefits extend to the process aspects of an early childhood setting (e.g. interactions and relationships with children; curriculum that supports and extends children's wholistic learning and development; communications with families and allied health professionals) as well as to the adult work aspects (staff turnover; job satisfaction; support and mentoring of less qualified staff). When these contributors are collectively in place, quality early learning and care experiences for children will follow.

Please refer to the submission from the Institute of Early Childhood for supporting evidence.



### **Children aged birth – 3 years**

- All educators working with children aged birth to 36 months are only required to hold at least a certificate III or equivalent (7.2)
- ACECQA should remove the requirements that persons with early childhood teacher qualification must have practical experience for children aged birth to 24 months (7.5)

It is well established that the first three years of a child's life is pivotal to their future development and wellbeing. In the context of formal early childhood settings a strong and growing evidence base clearly highlights the need for qualified staff – early childhood teachers in particular – to support the learning and development of children at this critical age. A contributing factor of such qualifications is the inclusion of specialised early childhood content, in particular, knowledge content and practicum experience with children under three. Conversely low qualified staff are little equipped to provide such early learning experiences. The high turnover of this cohort of staff (Productivity Commission, 2011) compromises the stable relationships babies and infants require.

Please refer to the submission from Dr Sheila Degotardi and Ms Sandra Cheeseman for supporting evidence.

### **Preschool vs Long day care**

- The removal of dedicated preschools from the NQF (7.9)

It is well established that learning begins from birth. As such, an integration of education and care is regarded as fundamental to quality early learning experiences that support children's wellbeing, learning and development (OECD, 2001, 2006; Sylva, Melhuish, Sammons, Siraj-Blatchford, & Taggart, 2004). Removing preschools from the scope of the NQF sets up a false dichotomy and entrenches a longstanding bifurcation between preschool and long day care services (Cheeseman & Torr, 2009) that the NQF was helping to break down. A key strength of the NQF is that it provides a regulatory framework under which all early learning and care services are to operate. We believe that this strength should be maintained.

Participants unanimously welcomed the following recommendations:

- 12.2 The simplification of current subsidies and payments into the one Early Care and Learning Subsidy. We do however consider that the subsidy should be determined according to reasonable costs and not deemed costs (as per Brennan & Adamson submission 420; file:///E:/2011/Service/Productivity%20CommissionReview/Forum%20presentations%20and%20notes/Brennan%20&%20Adamson\_sub420\_Feb2014.pdf).
- 12.9 Continuation of the Universal Access program



## In summary:

Key recommendations in the Draft Report are short term, quick fix solutions that if implemented, will significantly compromise the provision of quality early learning experiences for children in formal early childhood settings, and exacerbate entrenched workforce issues. We do not consider these recommendations to be in keeping with the Productivity Commission's role of enabling "governments (to) make better policies, in the long term interest of the Australian community" (Productivity Commission, 2014, p. ii).

We would like to draw the Commission's attention to the recent finding of Pricewaterhouse Coopers (2011), that "...The National Quality Framework quality standards are not ambitious, they fall short of the precedents set by ECEC systems overseas in terms of the qualifications required by early childhood staff and compare poorly with those quality standards that are taken for granted in the school education system". According to most recent OECD figures, as at 2009 Australia ranked 32<sup>nd</sup> from 34 partner countries on ECE expenditure as a percentage of GDP (<http://www.oecd.org/australia/EAG2012%20-%20Country%20note%20-%20Australia.pdf>). Policy initiatives to support children's equitable access to quality early learning and care experiences necessitate more substantive, long term investment, with due regard to children's rights, wellbeing and interests.

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This submission has been endorsed by:

- Dr Cathie Harrison, Senior Lecturer, Australian Catholic University
- Chris Legg, CEO / Board Member, KU Children's Services / Early Childhood Australia
- Deb Clarke, Children's Services Co-ordinator, UTS Child Care
- Denise Taylor, Board Member, The Infants' Home
- Eva Cox AO, Professorial Fellow, Jumbunna IHL, University of Technology
- Associate Professor Fran Press, Charles Sturt University
- Ginie Udy, CEO, SDN Children's Services
- Janelle Gallagher, Director, Kurri Kurri Community Preschool
- Jemma Carlisle, CEO, University of NSW Child Care
- Jo Briskey, Principal Campaign Manager, The Parenthood
- Judith McKay-Tempest, Lecturer, Institute of Early Childhood, Macquarie University  
Ministerial Advisory Council member
- Judy Kynaston, National Project Manager, Early Childhood Australia
- Leanne Gibbs, CEO, Community Child Care Co-operative (NSW)
- Linda Henry, Stakeholder Communications Manager, Goodstart Early Learning
- Lisa Bryant, Early Childhood Consultant
- Louise Cave, Director, Birrelee MACS Child Care Centre
- Dr Marianne Fenech, Senior Lecturer, Institute of Early Childhood, Macquarie University
- Associate Professor Marina Papic, Director, Children and Families Research Centre, Macquarie University
- Megan Bruce, Industrial Officer, Independent Education Union
- Dr Miriam Giugni, Early Childhood Consultant and Convenor, Social Justice in Early Childhood Group
- Natalie Grenfell, CEO, Gowrie NSW
- Professor Patricia Apps, University of Sydney
- Sandra Cheeseman, Lecturer, Institute of Early Childhood, Macquarie University
- Dr Sheila Degotardi, Senior Lecturer, Institute of Early Childhood, Macquarie University
- Stacey Fox, Project Manager, ARACY
- Susan Reade, Tutor and Research Assistant, Institute of Early Childhood, Macquarie University
- Sylvia Turner, Director, Tigger's Honey Pot Early Years Centre, UNSW
- Tonia Godhard AM, Early Childhood Consultant
- Wendy Shepherd, Director / Lecturer, Mia Mia Children & Family Study Centre / Institute of Early Childhood, Macquarie University
- Dr Zsuzsa Millei, Senior Lecturer, University of Newcastle



# Who is Community Child Care Co-operative (NSW)?

Community Child Care Co-operative (NSW) was established in 1978 and is a not-for-profit organisation that promotes, supports and advocates for quality education and care services; meeting the needs of children, their families and the community.

Community Child Care (NSW) has a variety of roles in the NSW children's services sector which leave us uniquely placed to provide this submission.

We are:

- ◆ A peak organisation in NSW representing over 1,900 education and care services, families and individual members. Although Community Child Care (NSW) represents services in all areas of the education and care sector, our full members are community-based, not-for-profit long day care services and community-based, not-for-profit preschools.
- ◆ A Registered Training Organisation offering a variety of nationally accredited VET courses to education and care services in NSW and their employees. We also deliver distance education to employees engaged in undertaking traineeships in education and care services across NSW.
- ◆ The lead agency of Children's Services Central, the Professional Support Co-ordinator in NSW. This program, funded by the Australian Government, under the Inclusion and Professional Support Program, provides a range of professional development to all Australian Government Approved Child Care Services in NSW
- ◆ A provider of highly supported and sought after quality professional development, resources and publications to the NSW early education and care sector, especially preschools, long day care centres and occasional care centres.
- ◆ A provider of three preschools and two long day care services through our wholly owned entity, Children's Services Community Management.
- ◆ A well respected advocacy organisation for early education and care and early education and care services in NSW.

Community Child Care (NSW) endeavours to:

- ◆ Advocate for accessibility and affordability and supports and resources quality improvement of education and care services.
- ◆ ***Inform, influence and inspire early education and care services in NSW and Australia.***

