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## LOCAL GOVERNMENT CHILDREN'S SERVICES REFERENCE GROUP

### SUBMISSION TO THE PRODUCTIVITY COMMISSION'S

### DRAFT RECOMMENDATIONS

#### About the Reference Group

The Local Government Children's Services Reference Group is comprised of Managers of Early Childhood Education and Care (ECEC) Services operated by 24 local councils, largely in the Sydney metropolitan region. This includes representatives from all of the largest local government providers of education and care services in NSW.

The Reference Group has worked very closely with Local Government NSW (LGNSW) on many education and care policy and funding issues since 2006, including LGNSW submissions made to a number of inquiries and consultations.

#### Local Government's Role in Education and Care Services

**It is important to highlight Local Government as a key stakeholder in ECEC services via the sector's involvement and investment in this area.**

Local Government in NSW is a significant funder and provider of not-for-profit ECEC services and has been for many years. Local Government ECEC services are planned, established and funded to be responsive to the needs of children and families in local communities. The councils that make up the Reference Group demonstrate a commitment to equitable access for low income, disadvantaged and vulnerable families; inclusion of children with disabilities; and culturally responsive services for Aboriginal and Torres Strait Islander peoples and culturally and linguistically diverse children and their families.

Local government has a long and proud history in providing ECEC services to its local communities. Councils provide substantial funding for many elements of children's education and care services. A survey conducted by the Reference Group in August 2013 identified that 13 Sydney metropolitan councils provided 4,230 places across 100 long day care centres. This does not include preschool, Family Day Care (FDC) or Outside School Hours Care (OSHC) places.

As at December 2013, 91 local councils (61% of all NSW councils) directly provided ECEC services; 46 councils provided Family Day Care (FDC) services; and 102 Outside School

Hours Care (OSHC) services were operated by local government.<sup>1</sup> These services are often heavily subsidised with one example of a Sydney metropolitan council providing a subsidy of \$2 million. In some regions of NSW, local government is the only provider and funder of ECEC services.

Councils also employ staff, develop policies and plans, engage in partnerships and provide a broad range of community services, including the provision and maintenance of community facilities by a significant number of local councils at nil to 50% of market rentals for community-based / not-for-profit providers of ECEC centres.

## Executive Summary

In this submission the Reference Group considers the following tenets to be fundamental to the achievement of positive outcomes for children from this Inquiry.

### 1. Children's Wellbeing and Education is the Priority

First and foremost, the positive outcomes that education and care services deliver for children's overall wellbeing and development are central to this submission, and should be central to the outcomes the Federal Government is seeking to maintain or achieve. Research evidence has clearly demonstrated the positive and long-term cognitive, social and educational benefits that early childhood education has for a child.

See: <http://www.highscope.org/file/EducationalPrograms/EarlyChildhood/UPKFullReport.pdf>; <http://bit.ly/naplan-research-2013>;

and the EPPE Project Final Report: <http://eprints.ioe.ac.uk/5309/1/sylva2004EPPEfinal.pdf>)

### 2. Continued Adherence to the National Quality Framework and Standard

The National Quality Framework has documented the minimum level of quality and standards to be delivered by all ECEC providers across Australia.

#### **This should not be compromised in any way.**

Many of the standards required by this Framework were achieved under the previous accreditation system and it is time now for all ECEC providers to deliver to and be assessed against these same standards.

### 3. Equitable Access to Early Childhood Education

Early childhood education is as essential as primary and high school education and, as such, provision should be publicly funded. This also would greatly strengthen and increase workforce participation by all, including women. Publicly funded early childhood services for the most socially and economically disadvantaged benefit a child in multiple ways, such as through access to nutritious meals, socialisation, education, nurturing, building connections to their local community, safety and security. These are the benefits to be highlighted for disadvantaged families, including children with additional needs.

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<sup>1</sup> Community Child Care Co-operative NSW, Cred Community Planning & Australian Community Children's Services NSW, January 2014, *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care*, p. 11

Means testing for the Child Care Rebate and reallocation of some of this funding also could assist in achieving increased access for those who need it most.

#### 4. An Integrated National Education and Care System

Benefits and rebates should be offered to all preschool services, in conjunction with recognition of preschool education being offered within a long day care environment as well as in a preschool setting. Why should one family be able to claim a benefit for an accredited service whilst another attends an accredited service for a distinct age group but is not able to access similar financial support, despite the positive educational outcomes for their child?

The removal of funding to for-profit service providers through Australia's tax system would also serve as an effective measure to support increased financial subsidies to be offered to families with children attending not-for-profit service providers such as preschools.

#### 5. National Funding Arrangements that Support High Quality and Inclusive Not-for-profit Services

What needs to be made clear is that the provision of early childhood services is about children's development, learning and wellbeing and the rights of children to access high quality and inclusive education and care services from an early age. The National Quality Framework (NQF) supports this focus of the provision of quality early childhood education and care (ECEC) services to be about improving the learning and development of young children as the priority.

**The Federal government should consider reforms to the current funding arrangements that include increased investment to support high quality and fully inclusive services, as well as the direct funding of not-for-profit education and care services.**

The recently released report on surveys conducted with NSW local councils, *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care*, identified key elements of local government and community-based not-for-profit ECEC services that contribute to higher quality outcomes as assessed under the National Quality Standards as well as increased accessibility and affordability for disadvantaged children and families.

These include:<sup>2</sup>

- Higher staff to child ratios
- Staff stability and consistency
- More qualified staff
- More opportunities for family involvement in management and policy development
- Equitable pricing policies that increase affordability

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<sup>2</sup> *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care* (2014), *ibid*, pp. 35, 37

- Higher access as compared to private for-profit service providers, for children under 2 years of age; children with additional needs; children from socio-economically disadvantaged groups, including Aboriginal and Torres Strait Islander children; and children at risk of significant harm.

Of the local councils responding to the survey, 55% believed, based on family feedback and survey outcomes, that their residents preferred ECEC services that were provided by local government; and that local government services set a high bar in relation to high quality ECEC services.

The release by the Australian Children's Education and Care Quality Authority (ACECQA) of the quality ratings assigned to ECEC services assessed in NSW up to 14/11/2013<sup>3</sup> identified that:

- 14% were rated as *Exceeding the National Quality Standard*
- 29% were assessed as *Meeting the National Quality Standard*
- 56% were rated as *Working Towards the National Quality Standard*

The top rating of *Excellent* is awarded through a separate application and assessment process, so *Exceeding the National Quality Standard* is the highest rating awarded through the initial assessment process.

As is evident in the table below, 61% of all Council services assessed were awarded a rating of *Exceeding the NQS*; 26% were assessed as *Meeting the NQS*; and 13% were rated as *Working Towards the NQS*.

In comparison, only 4% of the for-profit services assessed were rated as *Exceeding the NQS*, 25% were rated as *Meeting the NQS*; while 70% were assessed as *Working Towards the NQS*; and 0.2% were rated as *Significant Improvement Required*.

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<sup>3</sup> *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care* (2014), *ibid*, p.19

As shown in Table 2, In NSW, of the 1,378 long day care and preschool services rated as at 14/11/2013:

- 84% of the services rated as *Exceeding the National Quality Standard* were not-for-profit community-based (42% not-for-profit community-based and 42% council-services) and only 16% were for-profit services;
- 80% of the services rated as *Working Towards the National Quality Standard* (that is did not meet the standards) were for-profit services, 17% were not-for-profit community-based and 2% only were council services; and
- 100% (two services) that were rated as *Significant Improvement Required* were for-profit services.

**Table 2 National Quality Standard ratings by provider type [source: ACECQA Registers 14/11/2013 see Footnote 9]**

	Total services rated	Total not-for-profit community services rated		Total council services rated		Total for-profit services rated	
	No.	No.	%	No.	%	No.	%
Received a rating of exceeding the NQS	213	89	42%	90	42%	34	16%
Received a rating of meeting the NQS	422	165	39%	39	9%	211	50%
Received a rating of working towards the NQS	741	125	17%	19	2%	590	80%
Received a rating of significant improvement required	2	0	0%	0	0%	2	100%
	<b>1,378</b>	<b>379</b>		<b>148</b>		<b>837</b>	

- From *Childcare, roads, rates and rubbish: NSW Local Government and Early Education and Care*, Community Child Care Co-operative NSW, Cred Community Planning & Australian Community Children's Services NSW, January 2014, p. 19

## RESPONSE TO DRAFT RECOMMENDATIONS

Our submission in response to the Productivity Commission Issues Paper (January 2014) remains a basis of our position.

The NSW Local Government Children's Services Reference Group contributed to and has endorsed the NSW Children's Services Forum Submission to the Draft Recommendations.

We take this opportunity to provide a further response in relation to eight of the Productivity Commission's Draft Recommendations .

### Draft recommendation 12.2

- ***The Australian Government should combine the current Child Care Rebate, Child Care Benefit and the Jobs Education and Training Child Care Fee Assistance funding streams to support a single child-based subsidy, to be known as the Early Care and Learning Subsidy (ECLS). ECLS would be available for children attending all mainstream approved ECEC services, whether they are centre-based or home-based.***

We congratulate the Government's commitment to implement improvements in the Children's Services sector. We applaud the continuation of the progressive reforms of 2011. In particular, we commend the Government in their work to date, regarding the decision to combine payments into one, single, child based subsidy.

However, problems remain in that the financial modeling information available does not reflect real costs for provision of the range of service types and in differing geographic locations. Additionally, demographic variables contribute an additional cost considerations, considering both the supply and sustainable operation of services. Differences in property and living costs impact directly on set up and operational costs.

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". (*NSW Children's Services Forum, September 2014*)

### Draft Recommendation 7.2

***Requirements for educators in centre-based services should be amended by governments such 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.***

We strongly recommend that there be no downgrading of the qualification requirements for all staff and in particular those working with babies and toddlers.

The Commission found "little compelling evidence that requiring a proportion of those caring for children aged birth to 36 months to hold certain higher level education qualifications is necessary" and that "some studies have found negative or no significant impacts".

However, these statements ignore the fact that numerous studies have found positive impacts, and that there are various factors contributing to outcomes, in particular the context of individual studies.

In terms of social and emotional development and well-being, Sims et al. (2005); Bowlby (2007) used cortisol, a biological measure of child stress, to assess the impact of quality in early childhood settings. They reported that “in settings achieving higher levels of quality, children’s cortisol levels dropped during the day, whereas in poorer quality centres cortisol levels remained high”. (Harrison, L.J. 2008 p.15) Love et al (2003) explored results of various international studies and also found a direct correlation between quality of care and positive outcomes for children.

The Commission suggests that “ECEC for children aged birth to 3 should focus on quality care and not be required to include a significant educational component”. This statement ignores all the research around what makes up quality care, regardless of the young child’s age. It also ignores the fact that during this period, children’s brains undergo the most rapid development, and a huge amount of learning takes place, provided there is adequate and appropriate stimulation.

Key findings include that “Quality of care for infants and toddlers is determined by structural features such as: caregivers’ level of education; experience and specialised training/qualifications.....” (Harrison, L.J. 2008. P.15) Furthermore mounting Australian and international research in the area of infant / toddler learning and development find that higher qualified educators working with infants and toddlers are more likely than minimally qualified educators to provide the high quality interactions and experiences that these children need for optimal learning and development (Brownlee, Berthelsen, Irving, Boulton-Lewis & McCrindle, 2000; Degotardi, 2010). This is particularly the case for infants and toddlers from disadvantaged backgrounds (Phillips & Adams, 2001).

Children aged under 3 years require and deserve a care and learning environment of the highest standard and this is achieved through well trained staff at Diploma and University level. Certificate courses provide minimal understanding of children’s development, learning and care needs and do not prepare staff to work with young children without the guidance of a more qualified educator.

We strongly recommend that the number of children for which an early childhood teacher must be employed continues to include the number of children aged under 3 years.

The Commission’s recommendation that the need for an early childhood teacher be assessed based only on numbers of children older than 3 years can mean that many centres no longer require a teacher. This would be an appalling drop in the quality of ECEC services.

In NSW long day care settings, children aged under 3 years generally make up about half the number of children enrolled. In a typical NSW 40 place centre for example, 20 children are aged 3 to 5 years and 20 under 3 years. The current requirement for staff numbers and qualifications is:

- at least 5 educators (at one time across an 11 hour day for example) of whom at least half have a Diploma in an approved children’s services course or above,
- and in NSW, two with Early Childhood Teacher degrees .

By lowering the qualification requirements for children under 3 years to a work place entry Certificate III level, and reducing the requirement for an early childhood teacher to *exclude* numbers of children under 3 years, this example centre would have:

- two educators with an approved Diploma, Children's Services (2 years tertiary/ RTO study) and
- two educators with an approved Certificate III, children's services

These people would have the day to day responsibility for the education (learning and development in all areas) and care (safety, health and well-being) of 40 children, with "access to" an ECT for 20% of the time.

***Would you leave your child in this place?***

***Will families agree with this reduction in the quality of their service?***

The NQF and current requirements for staff qualifications contribute to an early childhood education and care system that ensures a high level of quality for children and families.

"Without a high quality early learning and care environment, there are risks that the increased workforce participation of many mothers may adversely affect children"...and "well-qualified staff and low staff-child ratios are two elements which provide the context in which quality is likely to occur". (COAG Regulatory Impact Statement 2009).

No one would accept a watering down of qualifications for teachers working with children aged over 5 years, and no-one should suggest this is acceptable for children aged under 5 years, and especially infant children who are under 3 years of age.

All children in all education <sup>4</sup> settings are entitled to high quality education and care, and especially our youngest most vulnerable children - those aged under 3.

"We must have well qualified people to lead innovation and change for the future. By diluting the required skill set for people working in the sector we devalue the importance of early childhood education. Research is clear educational leadership makes that difference in delivering effective early childhood programs and pedagogy." Associate Professor Manjula Waniganayake; Institute of Early Childhood, Macquarie University

**Draft Recommendation 7.9**

- ***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 NQF. LDC services that deliver pre school programs should remain within the NQF***

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<sup>4</sup> Or Diploma in Teaching, Early Childhood, from a College of Advanced Education or equivalent – a higher/more rigorous education qualification than an RTO Diploma, Children's Services and pre dating **competency** based systems.

We strongly recommend that preschools stay in scope of the NQF.

The Commission recommendation that preschools be removed from the scope of the NQF would be a backward step for ECEC. Australia has a long history of a care versus education divide, with anyone outside the profession of ECEC confused about what a long day care centre provides and what a preschool provides, and frequently families removing children from a high quality long day care setting to attend a preschool setting at age 3 or 4.

The NQF finally brought the two together with a clearer understanding that education and care takes place in both environments. This has been a benefit to families who have become more capable of choosing which suits their needs, knowing that their children will receive both education and care. It has also been an affirmation for all qualified early childhood educators that they are part of an education system, and not considered just babysitters as was often the case.

Long day care settings include preschool aged children, and as such deliver “preschool programs” in line with the NQF. Preschools now come under the NQF and undergo the same rating and assessment process as long day care centres. All ECEC services now come under the Department of Education & Communities. This unity of ECEC services is beneficial for all – children, families and staff. Preschool educators have provided positive feedback, both in terms of working with the Early Years Learning Framework and in participating in Rating & Assessment processes.

There is no acceptable rationale for going backwards and separating these service types again. It will only lead to further confusion for families, and our society in general. It will contribute to the ongoing perception that education happens in preschool only and that long day care is of no benefit to children.

### Draft Recommendation 8.2

- ***State and territory governments should direct all schools to take responsibility for organizing the provision of an outside school hours care service for their students (including students in attached preschools), where demand is sufficiently large for a service to be viable.***

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. States and Territories should determine locations on school sites, not the School Principals.

### Draft Recommendation 8.5 and 8.6

- ***Should support be extended to cover certain types of childcare not currently funded or to increase funding for specific types of childcare — for example nannies providing in-home care?***

Most definitely not.

Existing ECEC services such as Family Day Care and in-home care are regulated, approved and already have capacity to meet families' needs for flexible family/work life balance. Bringing an additional program for nannies into scope, will stretch existing, limited funding and resources and 'balloon' out costs.

This recommendation contradicts the decision made by Government to remove Community Support Program funding to Family Day Care (FDC) Schemes- a decision resulting in significant reduction in both the quality and numbers of regulated secure spaces for our young children. It is inconsistent and incomprehensible to be scrapping the in-home scheme on the one hand and extending funding to a previously non funded 'nannies' sector on the other.

We have insufficient information regarding the proposal to extend access to CCB/CCR funding to nannies.

- How does the government propose to distribute the existing allocation across the services?
- How would government accountability systems ensure tax payer dollars do not go to 'domestic servants' (nannies)?

Should this recommendation be implemented, the application of all of the same standards and regulations applicable to the current in home care and current FDC schemes would be essential.

Anecdotal evidence suggests the levels of diligence, associated administrative management and educational support has proven difficult- sometimes impossible- to maintain - even for well established and high quality providers.

Despite the intensity of good resourcing, the failure of those in home care and FDC educators in complying with standards, results in low levels of retention.

Ongoing monitoring for effective, safe, sustainable, service delivery is onerous for the current in home care and FDC schemes /sectors including those operating under existing experienced and high quality providers.

The public's expectations of the current in home care and FDC schemes in relation to Regulatory requirements has resulted in stringent protections and safety nets for the children who attend those services. The public's expectations remain, and as a minimum, provider requirements would have to be extended to include any proposed "nanny" system.

Sustainable, good quality services reduces 'child hopping', where children are taken from one educator to the next until a 'reliable' educator working with a good quality provider, is found. Children being placed into a service, withdrawn and placed into another may put a young child at risk. For example, their capacity to form attachments and strong relationships may be compromised. (Bowlby, R 2007; Sims, M. 2007). This disruption is not limited to a child's development and wellbeing but impacts on the capacity of families to fully participate

in work and other commitments they may have, while having to constantly 'sort out' suitable education and care arrangements for their young children.

#### Draft recommendation 7.1

- ***To simplify the NQS governments and ACECQA should:***
  - ***Identify elements and standards of the NQS that can be removed or altered while maintaining quality outcomes for children***
  - ***Tailor the NQS to suit different service types-for example, by removing educational and child based reporting requirements for outside school hours care services***

NSW Standards to be retained where they are a higher standard than the National Regulations. NSW ECEC has historically had a higher standard for the number and qualification level of staff required in long day care and preschools.

As stated in the NSW Children's service Forum Response:

"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."

### Draft recommendation and 7.6

**Government and ACECQ should:**

- ***urgently reconsider the design of the assessment and ratings system, giving particular consideration to finding ways to increase the pace of assessments***
- ***Explore ways to determine services' rating so they are more reflective of overall quality***
- ***Abolish the "Excellent" rating, so that "Exceeding national Quality Standard" is the highest achievable rating***

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

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