

The Gowrie (QLD) Response to the Draft Productivity Commission Report on Childcare and Early Childhood Learning

September 2014

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The following responds directly to the draft recommendations, findings and information requests of the Productivity Commission regarding the draft report on Childcare and Early Childhood Learning Early in Australia, released in July 2014.

1. About The Gowrie (QLD)

The Gowrie (QLD) is a not-for-profit organisation established by Lady Zara Gowrie. In 2011, we celebrated 70 years as a leader in early childhood education with celebrations hosted by the Queensland Governor at Government House.

The focus of The Gowrie (QLD) has always centred on supporting Queensland families, ensuring all children realise their full potential and bringing both social and economic benefits to the community.

The Gowrie (Qld) is uniquely placed to respond to the draft recommendations, findings and information requests of the draft report for the following reasons:

- We comprise over 100 services located throughout Queensland in both urban and rural / remote locations.
- We operate centre-based and home-based early childhood education and care (ECEC) service types including long day care, preschool and family day care.
- We are highly experienced with all age groups from babies through to children aged 12.
- We are one of five central governing bodies (and the second largest) approved by the Queensland Government to support community preschools under the Universal Access program.
- We provide a wide range of services and programs to assist disadvantaged children and families including Aboriginal and Torres Strait Islanders, low-socio economic, refugees, new migrants and culturally and linguistically diverse.
- We operate a range of integrated services that provide ECEC, parenting support and child and maternal health services to at-risk children including our early years centre located in the highly disadvantaged Australian Early Development Index (AEDI) community of Caboolture north of Brisbane.

2. Draft recommendations, findings and information requests

The responses in this section are taken from our significant experience in practice as well as our understanding of research and literature regarding early childhood learning. We have only addressed those areas where we have significant concern or advice to offer.

2.1 Families using mainstream services – improving the accessibility, flexibility and affordability

Draft recommendation 12.4

While supporting the move to a single child-based subsidy, there are a number of factors critical to its effectiveness including:

- means testing needs to ensure that families are no worse off under the new funding scheme than currently under the Child Care Benefit and Child Care Rebate
- the annual hourly cost by age of child and type of service must reflect the true cost of services, exclude profit and be comparable across the for-profit and not-for-profit sectors
- there must be provision to pay more than one service provider as parents often combine different types of ECEC to meet the needs of their family (e.g. a child may attend a community preschool for 15 hours per week and home-based care for a further 15 hours during the same week).

Information request 13.1

Changing the funding scheme for ECEC nationally requires significant transformational change not dissimilar to implementing the National Quality Framework (NQF) or even the National Disability Insurance Scheme (NDIS).

While the Australian Government is the primary funder of ECEC, state and territories also invest significantly in the sector. In some jurisdictions, government is also the provider of ECEC services. In order to manage the risks associated with such a significant funding reform as well as costs, the commitment of Ministers at a national level is required.

This type of change needs to be well executed in its implementation. This requires sufficient one-off funding from government as well as significant leadership capability to effect the transition.

The risks are many including lack of understanding by families of the benefits of change and what it means for them, lack of buy-in from key stakeholders, ensuring economic modeling 'fits' the recurrent funding envelope and effective systems to manage the per child subsidy scheme.

Transitioning to a single child-based subsidy will require:

- a comprehensive, national and staged change management strategy and implementation plan
- principles to underpin the change (e.g. no family will be worse off under the new funding scheme, service providers will be guaranteed a comparable level of government funding)
- capacity building within the sector in readiness for the transition
- major public communication campaign for parents and carers

- a cross service-type trial and evaluation prior to full implementation of the new funding scheme.

Information request 12.1

There is a high risk that a means tested, single child-based subsidy will disadvantage families with more than one child in ECEC, and especially multi birth families. A way to overcome this might be to adjust the means test thresholds according to the number of children in the family accessing ECEC services in any given year. This would then ensure that the single child-based subsidy (adjusted for age and service type) remained the base level or core funding that is consistently applied to all children in all families.

Draft recommendation 12.2

It is important to keep the new funding scheme as straightforward and least complex as possible. Furthermore, means testing should be in a form easily applied to all families regardless of composition. It is for this reason that means testing the combined income of a family is preferable to introducing a 'second earner' test.

Information request 12.3

The *Gowrie Australia*¹ response to the Commission's draft report provides a comprehensive example of why the proposed activity test exemption criteria are far too narrow.

The Gowrie (QLD) concurs with our colleagues from other jurisdictions that there are many reasons why families may not be able to comply with proposed activity test. For at-risk families these include lack of employment opportunities, mental health issues, domestic violence issues and homelessness. For other families, parents have chosen to be at home with their children during these formative years.

Regardless of the varying circumstances, research tells us that all children benefit from participating ECEC during their early years. It is critical that the activity test exemption criteria do not preclude families that otherwise would not be able to afford and participate in ECEC.

Information request 12.4

Setting the deemed cost of ECEC services is a project in its own right. The Gowrie (QLD) recommends:

- strong governance of the project including:
 - a project leader that understands the sector and can facilitate the policy underpinnings of what needs to be a robust modeling process
 - a working group to oversight the project comprising representation the relevant federal departments and jurisdictional representation

¹ Gowrie Australia is a strategic network that comprises Gowrie organisations from Queensland, New South Wales, Victoria, Tasmania, South Australia and Western Australia

- one-on-one engagement to work through actual costs with key industry bodies and a selection of small, medium and large not-for-profit and for-profit services operating from urban, rural and/or remote locations across Australia
- conducting the analysis and assessing how costs may differ depending on service type, size and location
- overlaying this analysis with other considerations such as socio economic data and even AEDI data
- developing draft findings and testing these findings with entities that were part of the initial engagement but also a sample of other services not previously involved
- modifying assumptions, modeling and any other factors in order to finalise recommendations to government regarding deemed costs.

Indexation should be applied to deemed costs annually to ensure the single per-child subsidy facilitates affordability and enables access to ECEC.

As with any new funding initiative an evaluation is required to assess the impact of the scheme, whether it is meeting the policy intent and whether there are unintended consequences. This evaluation would reasonably occur after the scheme is operational for two years.

Information request 8.3

The Gowrie (QLD) supports making the places of children who are on an extended absence available to other children on a short-term bases. This should be possible with a single per-child funding scheme however government would need to ensure red tape and bureaucracy is minimised.

2.3 Additional needs children and services – improving the accessibility, flexibility and affordability

Draft recommendation 12.6

While The Gowrie (Qld) supports the intent of the ‘Special Early Care and Learning Subsidy’ we do not support this terminology, specifically the use of term ‘special’. This funding is a supplementary subsidy that is purpose-based to support children with disabilities and children with additional needs and should be referred to and entitled accordingly.

To distinguish the new ‘Disadvantaged Community Program’ from existing programs there needs to be a much greater emphasis on outcomes, capacity building within the service and the community, and well documented and executed plans for the graduated transition to the single per-child funding scheme.

Information request 12.7

The Gowrie (QLD) recommends that the 'Special Early Care and Learning Subsidy' be paid to services based on the preparation of an early education support plan. For children with a diagnosed or suspected disability (as confirmed by a recognised specialist) this would be a plan developed in conjunction with child's parent/s or carer/s.

The quantum of the subsidy will vary from child to child depending on the educational adjustments and support required. Funding should be based on a set of meaningful and transparent criteria as determined by an expert panel and taking into account the funding envelope.

Importantly funding decisions for young children with a disability are best made closer to the service delivery.

Information requests 12.8 and 8.1

The types of services that are not the responsibility of the NDIS and must be made available for children with a diagnosed disability attending ECEC.

Meeting the needs of children (and associated costs) will differ depending on age and the nature and extent of the disability and include:

- minor adjustments by educators to the physical and temporal environment, routines and procedures and learning experiences
- time limited and targeted support to establish routines and expectations and reasonable adjustments to the physical, temporal and learning environment
- highly individualised support to provide access and enable participation in the early childhood education program on a continuing basis.

Structural, cultural and attitudinal barriers can often prevent families of children with additional needs from access to ECEC. Often a family will come to us with little understanding of how ECEC works (e.g. enrolment procedures, operating hours, waiting lists), feeling financially excluded from accessing ECEC services and often unaware of government assistance to off-set costs, feeling socially excluded due to their family circumstances, lacking readily available transport to access ECEC and having found another mainstream service non-inclusive regarding the physical setting and learning environment.

Information request 12.9

Other groups of children developmentally vulnerable may include Indigenous families, families from culturally and linguistically diverse backgrounds, refugees and families in low socio-economic and/or high unemployment areas. Most health agencies are able to identify within six months of birth children who are more likely to be developmentally vulnerable by using a range of pre and post-natal risk factors.

Information request 8.2

The Gowrie (QLD) is funded by the Queensland Government to provide integrated early childhood services to support vulnerable children and families.

We operate an early years centre (EYC) in the disadvantaged AEDI community of Caboolture; a high growth area that continues to attracting high numbers of families with young children.

The EYC provides key social infrastructure that integrates ECEC (targeted to disadvantaged children and children with additional needs), parenting support and child and maternal health services. We work closely with other non-government services in the area and with local schools to provide the best possible outcomes for at-risk children.

In our view, funding for integrated services is best determined based on outputs and outcomes. Rather than per child subsidies, block funding with clear performance indicators enables a more integrated case management approach. Providers such as The Gowrie (QLD) have the professional expertise to apportion funding across services within broad guidelines agreed with the funder.

Information request 12.6

Start-up capital for mainstream ECEC services should be limited to communities that would otherwise not have access to a suitable ECEC service. The planning for capital investment needs to occur in partnership with the local community.

Ideally the business model for such ECEC service needs to be viable and self-sustaining. Ongoing operational funding for a period of time would assist the service with this transition.

Information request 13.2

Outsourcing the allocation of funding under capped programs that support children with additional needs supports the premise that decisions are better made closer to the service delivery. We stress however that funding organisations would need to understand ECEC and specifically how best adjustments are made within the early learning environment.

2.3 Preschool – supporting universal access

Draft recommendation 12.9

The issue with using only one determinant for the distribution of the federal government's preschool investment (i.e. the number of children enrolled in state and territory government funded preschool services) is that some jurisdictions face much greater geographic and socio-economic disadvantage. These are both factors that can significantly drive up service delivery costs.

Suggesting that school services should be encouraged to include preschool is a somewhat simplistic view of early childhood education and in particular the preschool program.

Preschool prepares four year olds for the transition to school, which is a far more structured and fulltime learning environment. Preschool is about play-based learning and for many families is best delivered in an early years setting. Queensland has more than 300 community kindergartens (preschools) that operate independently of schools.

There is no doubt however that a closer relationship between all ECEC services and schools at the local level would benefit children and families and facilitate a smoother transition.

The Gowrie (QLD) acknowledges that for some communities with little or no access to ECEC services, the only viable option might be to access preschool via the local school and that some jurisdictions have chosen to implement preschool in schools. But to single out schooling systems as being more able to provide a quality preschool program to young children than early childhood teachers in the ECEC setting seems misguided at best.

Information request 5.1

Based on our years of experience, The Gowrie (Qld) believes the current requirement for 15 hours per week over 40 weeks a year is the optimal hours of attendance for children enrolled in a preschool program though services should be provided the opportunity to structure attendance in a way that best suits the needs of their local community.

Draft recommendation 7.9 and information request 12.10

The Gowrie (Qld) does not support the removal of dedicated preschools from the NQF. There is no basis for dedicated preschools not to be regulated under the same arrangements as other ECEC providers. As referred to earlier, schools are a very different learning environment to that of a dedicated preschool and school regulation is generally geared to older children rather than very young children. The task of broadly aligning state and territory legislation to those of the NQF is not an insignificant task. Current legislation for the various schooling systems does not align from jurisdiction to jurisdiction.

Other than setting the regulation, preschool is largely the responsibility of states and territories albeit the funding provided by the federal government to support Universal Access.

Regarding the 'transition to the provision of preschool at no cost to parents in those dedicated preschools attached to public primary schools', this should for equity reasons also be afforded to community preschools through increased government funding. There is no justification for providing sufficient public funding to fully offset parent fees in a primary school attached preschool and not a stand alone community

preschool that is often collocated or in the immediate vicinity of the local primary school.

2.4 Removal of ECEC assistant to some providers

Draft recommendation 10.1

This draft recommendation proposes the removal of the eligibility of not-for-profit:

- ECEC providers to Fringe Benefit Tax exemptions and rebates and
- childcare providers to payroll tax emptions.

These provisions have over the years enabled not-for-profit services to compete on an even playing field with private providers. The loss of payroll tax emptions and charitable status will either increase the cost of ECEC for families and / or reduce the quality of service provided.

The Gowrie (Qld) strategically invests in a range of initiatives that directly focus on improving quality. As a result, of our 30 services rated thus far 90 percent have achieved 'Exceeding the NQS'. This level of quality is unsustainable should this draft recommendation proceed.

No action should be taken in this regard before the analysis and modeling is done regarding deemed costs for the single per-child subsidy. To do so would be premature and likely to jeopardise the viability of small not-for-profit services.

2.6 Workforce participation

Information request 6.1

Given the sophistication of technology many of the impediments to employers of providing flexible work arrangements for parents are now diminished.

As an employer, The Gowrie (Qld) utilises a range of flexible work practices including flexible work proگرامing, remote access via technology, telecommuting, job sharing and permanent part-time arrangements. However for industries such as ECEC it is essential that the safety, duty of care and wellbeing of others (in our case children) come first.

Factors that can impede an employer's ability to provide flexible work arrangements for parents include business size, the nature of the work, government regulation, connectivity, ability to measure work performance in non-traditional settings, industrial relations, appropriate systems and staff training.

2.7 Quality assurance processes and regulation of ECEC

Draft recommendation 7.1

The Gowrie (QLD) concurs with the Commission that the National Quality Standard (NQS) should be simplified. In doing so however it is important the NQS continues to be the key driver of quality in ECEC.

The NQS is currently characterised by an excessive number of standards and elements with substantial overlap. This creates unnecessary regulatory and administrative burgeon for services and regulatory authorities alike. Parents and workers can also find the terminology and intent of the NQS difficult to follow.

The seven quality areas of the NQS should be retained but the standards and elements should be collapsed into standards only and reduced to no more than 50 standards. The standards should also be reshaped to ensure they set the level of quality and attainment expected of ECEC services and provide for comparative evaluations by being measurable and well able to model quality outcomes. Plain English should be used and the intent simplified for the benefit of parents and workers.

By taking this action it may not be necessary to enact the Commission's draft recommendation of tailoring the NQS to suit different service types.

Draft recommendation 7.2 and information request 7.1

It is quite unfathomable why with such a robust evidence base available the Commission is proposing a watering down of the qualification requirements of educators in centre-based ECEC services.

To suggest that educators working with children aged birth to 36 months need only hold at least a certificate III or equivalent flies in the face of both national and international research, including that of the Organisation for Economic Cooperation and Development (OECD), that confirms the period from birth to three years is the most significant in children's development and that the quality of educator's teaching and learning interventions directly effects the quality of the program and wellbeing of the children. Yet certificate III is equivalent to year 12-school education and is in no way comparable to the higher level of skill of a Diploma qualified educator.

Furthermore, for the Commission to recommend (be it daft) that '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' not only defies the research and evidence base but seriously challenges and even undermines quality area 1 of the NQS which requires:

- an approved learning framework to inform the development of a curriculum that enhances each child's learning and development
- educators and coordinators to be focused, active and directive in designing and delivering the program for each child.

Appropriately, quality area 1 applies to all children in all services currently within the scope of the NQS. Regardless of any changes to the NQS into the future, to provide a quality early childhood program, ECEC services will need the knowledge and experience of a degree qualified early childhood teaching professional for all age cohorts (and even more so when dealing with the added complexity of working with very young children where verbal communication cannot be relied on to the same extent) to ensure:

- curriculum decision making is effective
- each child's knowledge, ideas, culture, abilities and interests are embedded as the foundation of their learning
- programs are organised in ways that maximize opportunities for each child's learning
- suitable documentation is made available to parents about their child's program and progress
- educators have the capability to support every child to participate in the learning program
- educators have the ability to promote each child's agency, enabling choices and decisions and children to influence choices and decisions and children to influence events and their work
- assessment informs short and long term program planning and promotes children's ongoing learning
- educators have the ability to respond to children's ideas and play and use intentional teaching to scaffold and extend each child's learning
- the quality and even regularity of critical reflection practice.

Degree qualifications in early learning are just as important when working with very young children as it is for the classroom at school.

Draft recommendation 7.5

The Gowrie (Qld) does not support ECEC services operating with staffing levels below the required ratio. We operate most types of ECEC services in many varied and diverse communities across the state, and in our experience there is not the need nor evidence to warrant or validate taking such an approach.

Should the Commission proceeds down this road, we strongly advise that the averaging of staffing levels only be permitted over the course of a day (not a week) and that ECEC services instead be encouraged to use vertical grouping to manage their operational requirements.

Draft recommendation 7.6

While The Gowrie (Qld) supports abolishment of the "Excellent" rating, the ratings process could very easily be reduced to no more than three levels (e.g. working toward the NQS, meeting the NQS and exceeding the NQS). This would reduce the regulatory and administrative burgeon for both authorities and services alike and simplify the messaging about ratings for families.



With only three ratings, the rating for services that require significant improvement would be deferred.

3. Concluding comments

The Gowrie (QLD) is happy to discuss with officers of the Productivity Commission any of the comments provided in this response.

We acknowledge the significant work that has been undertaken and are optimistic that this review will bring about productive and long-term change that will benefit Australian children and families.

Jane Bourne
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The Gowrie (QLD)